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ROYAL COMMISSION
ON
GREAT SLAVE LAKE RAILWAY

HEARINGS

HELD AT

~~EDMONTON, ALBERTA~~
YELLOWKNIFE, N.W.T.

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ROYAL COMMISSION ON
THE GREAT SLAVE LAKE RAILWAY

Hearings of the Royal Commission on
The Great Slave Lake Railway held
at Yellowknife, Northwest Territories,
at the Court House, at 4.00 p.m.,
September 2nd, 1959.

PRESENT:

Mr. M. E. MANNING	Chairman
Mr. WALTER D. GAINER	Member
Mr. JOHN ANDERSON-THOMPSON	Member

Mr. FRANCIS M. FEEHAN	Counsel
Mr. A. PATERSON	Secretary



THE CHAIRMAN: I think we will open our Commission hearings. I am going to introduce, first of all, the Members of the Commission.

We are delighted, of course, to be associated with Mr. John Anderson-Thompson of Yellowknife, and delighted to be able to open our sittings in his home town.

On my left is Professor Walter Gainer from Edmonton, as I am. My name is Manning.

Mr. Allan Patterson is our Secretary, from Edmonton. Mr. Feehan is our Counsel, who has just joined us, and Mr. Chapman is our reporter who will make the report of the Proceedings.

Before we hear any briefs I am going to ask Mr. Patterson if he would read the Order in Council which is evidence of our authority to hear these submissions.

THE SECRETARY: "P. C. 1959/705.

"Certified to be a true copy of a Minute of a meeting of the Committee of the Privy Council, approved by His Excellency the Governor General on the 4th June, 1959.

"The Committee of the Privy Council, on the recommendation of the Right Honourable John George Diefenbaker, the Prime Minister, advise that

Marshall E. Manning, Edmonton, Alberta
Walter D. Gainer, Edmonton, Alberta
John Anderson-Thompson, Yellowknife,
Northwest Territories



be appointed Commissioners under Part I of the Inquiries Act to inquire into and report upon the respective merits of the alternative routes which might be followed by a railway line to be built from northern Alberta into the southern portion of the District of Mackenzie, Northwest Territories, for the purpose of providing access to and contributing to the development of that portion of the Territories tributary to Great Slave Lake.

"The Committee further advise:

1. That the Commissioners be authorized to exercise all the powers conferred upon them by Section 11 of the Inquiries Act;
2. That the Commissioners adopt such procedure and methods as they may from time to time deem expedient for the proper conduct of the inquiry and sit at such times and at such places as they may decide from time to time;
3. That the Commissioners be authorized to engage the services of such sounsel, staff and technical advisers as they may require at rates of remuneration and reimbursement approved by the Treasury Board;
4. That the Commissioners report to the Governor in Council with all reasonable despatch; and
5. That Marshall E. Manning be Chairman of



the Commission.

R. B. Bryce,

Clerk of the Privy Council."

THE CHAIRMAN: May we have that marked,
Mr. Secretary, as the first exhibit?

---EXHIBIT NO. 1: Privy Council Minute appointing
the Royal Commission on the
Great Slave Lake Railway.

THE CHAIRMAN: There have been two briefs
filed for us to hear this afternoon. Before having
either of those briefs read -- those are the briefs
of the Yellowknife Board of Trade and a brief of Mr.
E. R. Horton; I would like to inquire as to whether
there are any others who are disposed to give us the
benefit of their views on this railway situation
either now or at a later sitting of the Commission
in Edmonton.

I think then we will ask the representative
of the Yellowknife Board of Trade if he would be good
enough to read to us his brief.

May I suggest you come to the council table
or stay where you are, just as you wish. Are you
Mr. Bromley?

MR. BROMLEY: Yes, I am.

THE CHAIRMAN: The President of the
Yellowknife Board of Trade?

MR. BROMLEY: Yes. Shall I read it
outright?



THE CHAIRMAN: We have it on file, Mr. Bromley. Thanks. If you would like to elaborate on it as you go along we will be very glad to hear any further comments you have to make.

SUBMISSION OF THE YELLOWKNIFE BOARD
OF TRADE

Appearances:

Mr. G. Bromley	President
Mr. John Buck	Secretary-Treasurer

MR. BROMLEY: This is a brief submitted to the Royal Commission to inquire into a route for the proposed Great Slave Lake Railway.

This submission is being made by the Yellowknife Board of Trade for consideration of the Commission exploring the merits or otherwise of proposed routes for a railway to run from the province of Alberta into the lower sections of the Northwest Territories.

Opinion among Yellowknife business men at a general meeting and expressed by a show-of-hands vote was almost evenly divided between the two most proponent routes, but there was general opinion that such a railway would give impetus to mining exploration and development in the whole of the Northwest Territories.

Construction of this railway was, just before a recent election, to be given top priority.



It was thought, though no definite announcement had been made, that the railway would be built with Waterways as the southern terminal of the new railroad. In spite of efforts extending over many months in the House of Commons for release of the reports alleged to have been given to the government by the railways who would be responsible for the operation of this new line, there has been no indication as to which way was selected by these engineers and experts.

However some residents of the Peace River country who feared that the railways may have chosen the eastern route and irked when a provincial commission headed by J. G. McGregor expressed the opinion that this was the wiser selection, began a vigorous campaign drawing attention to the advantages they could see should Grimshaw become the northern end of the new railway.

So loud was the clamour thus raised that though estimates approved by the House of Commons had included provision for such a railway no steps were taken toward actual construction.

This delay was hailed with delight by irresponsible sections of the Peace River as a victory, though the north was thus denied a means of transportation which might have expedited development of resources in that section of the north, the Northwest Territories, which can be assumed to be the central factor in "The Vision."



It is true that the government in power might have found some other excuse to postpone fulfilment of its promise, but the flood of propaganda from the Peace was sufficient provision for this.

This delay proved a disappointment to northerners who saw, in the railway as guaranteed in pre-election undertakings, that the North might come into its own.

Most important immediate requirement in so far as Yellowknife and the country north of Great Slave Lake is that the railway follow the route most likely to improve service and reduce costs.

How this is to be achieved for Yellowknife will, we submit, be a little baffling since route for goods when the railway comes into being will mean an increase in rail miles -- a shortening of water navigable miles, recognized as the most reasonable in price and said to be less costly than rail.

Nor is it immediately apparent that the season for shipment to Yellowknife will be increased, particularly if the northern end of steel is Pine Point. But because it will mean that northern development will be given a boost the Yellowknife Board of Trade takes the attitude that route of rails is not important -- but urges the Commission to make an immediate decision, so that construction may start on the railway in the spring of 1960.

There has been little discussion on the



northern terminal. Most of the public discussion has assumed that this would be Pine Point, where a huge potential of base metals are said to await exploration.

If this should be the case the Yellowknife Board of Trade urges the Commission to make a study of harbour facilities, if any, at Pine Point, for to be of any value to the huge area between Great Slave Lake and the Arctic Ocean such facilities are an essential.

If none such exist at Pine Point a study might be made of possibilities at Hay River -- or more vital still at Fort Providence.

Argument that this might extend the railway too far and thus increase costs of construction and operation can be countered by pointing out the fact that service down the Mackenzie would be possible much earlier in the year -- the railway would be of increased defence value -- and construction of a bridge across the Mackenzie River at this point would mean much better service to Yellowknife and its surroundings.

This coupled with an all-weather highway should mean decreased costs to Yellowknife and probably increased tourist trade

To sum up this brief:

The Yellowknife Board of Trade feels the Commission will reach a decision of wisdom in selecting the souther terminal for the proposed



railway, but urges the Commission to urge on the Government the desirability of immediately starting on the work.

The Yellowknife Board of Trade would also point out the need for a study of another northern terminal than Pine Point.

YELLOWKNIFE BOARD OF TRADE

G. Bromley, President

John Buck, Secretary-
Treasurer.

THE CHAIRMAN: Thank you, Mr. Bromley.
Have you anything to add to that?

MR. BROMLEY: Well, the general feeling of the Board of Trade, to put it in a nutshell, is that we would like to see the northern end of the railway to be Pine Point rather to be Fort Providence and if you look at a map you can see at a glance that a spur into Providence is not any longer than a spur from the highway to Pine Point. We feel in the Board of Trade that Fort Providence should be given every consideration. That is all I have to say, Mr. Manning.

THE CHAIRMAN: I think we may like to ask you a few questions. I will ask Mr. Thompson if he has any questions.

COMMISSIONER THOMPSON: Not right now.
Possibly later on.

THE CHAIRMAN: Have you any, Mr. Gainer?



MR. GAINER: There may be some matters crop up a little later. Mr. Bromley has pointed out that there are a number of complications between both the choices of the route and the effect on the railway at all in the North.

Just to clear up a point I wonder if I might ask Mr. Bromley if he might be able to express an opinion as to whether or not the railway, regardless of the route, is likely to affect the cost of doing business, we will say, in a mining community such as this, and secondly, can you foresee that the choice of route might make any difference? Are there any commodities, for instance, that might be more readily supplied from either the western route or the eastern route and therefore more cheaply supplied?

MR. BROMLEY: Dr. Gainer, there are two questions as far as the Board of Trade's opinion is concerned. If the railway comes via either route there will be no decrease in cost of doing business in Yellowknife if we don't receive any materials from the West Coast, but if the railway comes via Grimshaw there might be a tendency to ship items by the P.G.E. and into Grimshaw, a distance of 700 miles shorter than from Vancouver, Calgary or Edmonton into the north country and that would be one advantage via both routes, starting at Grimshaw.



COMMISSIONER GAINER: Just to explore that a little further, is it likely or not that in the long term, let us say, agricultural produce or processed commodities might be supplied from points north to Edmonton; some things might not have to be brought so far.

MR. BROMLEY: Well, the products are there today, Dr. Gainer. There doesn't seem to be any set-up for marketing Peace River products in the Northwest Territories. I am from the Peace River District. It has always been my feeling to try to increase trade with the Peace River but the machinery for marketing does not seem to be in existence.

THE CHAIRMAN: Mr. Feehan, would you like, as Commission counsel, to ask some questions of Mr. Bromley?

MR. FEEHAN: Yes, Mr. Chairman. I would like to refer to the 10th and 11th paragraphs of the brief, which has just been submitted, and in particular to the 11th paragraph which reads:

"How this is to be achieved for Yellow-
"knife will, we submit, be a little
"baffling since route for goods when
"the railway comes into being will
"mean an increase in rail miles -- a
"shortening of water navigable miles,
"recognized as the most reasonable in



"price and said to be less costly than
"rail."

I was just wondering if Mr. Bromley could elaborate on that. It would seem to intimate that the more water that may be traversed between Yellowknife and say the southern outlet the better it would be.

MR. BROMLEY: In dollars and cents, that is quite correct, Mr. Feehan. We are paying -- may I quote some figures on railroad rates?

THE CHAIRMAN: Yes.

MR. BROMLEY: We are paying from Edmonton to Waterways on furniture \$5.06 a hundred and from Waterways to Yellowknife \$2.85 a hundred.

THE CHAIRMAN: What are those figures again? How much from Edmonton to Waterways?

MR. BROMLEY: Edmonton to Waterways \$5.06 per hundred.

THE CHAIRMAN: And Waterways to Yellowknife?

MR. BROMLEY: I have been corrected. From Waterways to Yellowknife \$1.75 a hundred.

THE CHAIRMAN: So from Edmonton to Waterways the furniture costs \$5.06 a hundred and the same furniture costs from Waterways to Yellowknife another \$1.75?

MR. BROMLEY: Yes. That way we understand the railway is still under construction



and we have been charged construction rates or under-construction rates and that might explain that paragraph. We are going to have longer railway miles and shorter water miles. We do not see where it will decrease the actual cost into Yellowknife.

COMMISSIONER GAINER: Would that be the case, Mr. Bromley, if water navigation were to continue and purchasers had the option of using water or rail during the summer months at least? I suppose some option exists between truck and rail possibly only on the western route?

MR. BROMLEY: Yes.

COMMISSIONER GAINER: But this would at least be a partial factor. It would be an offer mostly in the winter months?

MR. BROMLEY: Yes, but with the railway going to Pine Point, that is again still not a great advantage to Yellowknife.

COMMISSIONER GAINER: It is only three months so the advantage ---

MR. BROMLEY: If it is an advantage. If it stops at Pine Point ---

THE CHAIRMAN: You say "if it stops at Pine Point" which means an advantage for a period of three months only.

MR. BROMLEY: If there is an advantage at all.



THE CHAIRMAN: Where else would you suggest it would stop?

MR. BROMLEY: Mr. Manning, there is a map there. May I show you Fort Providence?

THE CHAIRMAN: Yes. I think we are familiar with where Providence is. It is a little east of Pine Point, is it not?

MR. BROMLEY: It is west of Pine Poine.

THE CHAIRMAN: I beg your pardon. Of course. I was thinking of Fort Resolution. You suggest the railway go to Providence.

MR. BROMLEY: We don't wish to give the impression that we are forgetting Pine Point. We wish to leave the impression that there should be a spur at least to Fort Providence.

THE CHAIRMAN: Either a spur to Providence or a spur to Pine Point.

MR. BROMLEY: Yes.

THE CHAIRMAN: That is your argument?

MR. BROMLEY: Yes.

THE CHAIRMAN: If it were to go to Providence, and that would be the northern terminus, how would that help you out?

MR. BROMLEY: Well, we would have a railway to Providence and we would, you may say, have an all-weather road since a railway is an all-weather road. We could bring freight from Providence twelve months of the year if there is a bridge across



the Mackenzie and failing a bridge across the Mackenzie, it would be about nine or ten months a year. I think the Government has now built a bridge across Ray Arm, which means that we can be able to travel all the way from Fort Providence to Yellowknife twelve months of the year. If we can obtain freight at Providence twelve months of the year and there was a bridge then we will have freight twelve months of theyear.

THE CHAIRMAN: How practicable is a bridge at Providence?

MR. BROMLEY: I am not an engineer, Mr. Manning. I have been at Providence and I have looked across the wide-open spaces and I would say that it is not any more difficult to bridge Providence than it would be the Peace.

THE CHAIRMAN: We will have evidence later on from engineers.

MR. BROMLEY: Yes.

THE CHAIRMAN: It is frequently referred to as a reasonably seasonable project.

MR. BROMLEY: I would say so, yes.

COMMISSIONER GAINER: May I raise one point. Would your argument apply equally well to the Hay River as well as Fort Providence with the exception of perhaps the river ice going out earlier; otherwise you would have a highway connection, would you, from the Hay River to



Yellowknife?

MR. BROMLEY: Yes.

COMMISSIONER GAINER: If the terminus was on the Hay River going over either the east or west route?

MR. BROMLEY: Yes, that is quite true. The big advantage would be, of course, down river freight with an extension of at least two months more per year of the navigable season for down-river season.

THE CHAIRMAN: You have raised the question of harbour facilities.

MR. BROMLEY: Yes.

THE CHAIRMAN: I am wondering whether you have any reason for doubting the possibility of harbour facilities at Pine Point or anywhere else along the south shore of the lake.

MR. BROMLEY: I haven't been to Pine Point but I understand that there are no harbour facilities at all at Pine Point naturally; I understand that -- I heard today actually that there has been a small breakaway made or something which handles one barge at a time.

Hay River has a natural harbour. I have seen all my life harbours on river shores and I would say that Providence could be made into a harbour just as easy as any along the north country, along the northern route.



COMMISSIONER GAINER: Would it be true to say really that the major point you make is that an all-weather highway connection, which would be available at Fort Providence or perhaps also at Hay River, with a difference of these two months between, would facilitate down-river transport earlier in the spring? Is that it?

MR. BROMLEY: Yes, I would say so. I think while the harbour at Hay River is a good sound harbour, I understand that they will have difficulty with dredging and going into the harbour. That is a point I am not prepared to speak on.

COMMISSIONER THOMPSON: You don't mean to say, Mr. Bromley, that Providence hasn't got it all over Pine Point or Hay River as a harbour. Hay River as a harbour is pretty poor and Pine Point is definitely poor. I think there is a man in the audience can back me up and say there are no difficulties at Providence where the highway stops. And you would have no ice difficulties either down that far, I believe.

MR. BROMLEY: No.

COMMISSIONER THOMPSON: I see Mr. Hall here. Am I right in saying there is little ice trouble down as far as Providence?

MR. HALL: We have little ice problem at Providence once the lake melts.



COMMISSIONER THOMPSON: I have always understood that the Hay River harbour was shallow and difficult to get into.

MR. HALL: Hay River has always been a bad spot to get in and out of. You cannot go into it in rough weather. There is almost a right angle across. I know in my days, steamboating down there, it was always a bad harbour to enter and to get out of and you had to take the boat practically at ninety degrees. There is dredging going on there yet. It has been going on every year.

COMMISSIONER THOMPSON: The lake is very shallow all along the south coast there.

MR. HALL: Yes, the lake is shallow to get in and out.

COMMISSIONER GAINER: May I raise this question? I somehow did have the idea that in this Pine Point discussion there was a harbour for about seven miles away. Is there such a point in the south shore that has certain natural potentialities?

MR. HALL: That is on the south shore of the lake?

COMMISSIONER GAINER: I understand so, seven or nine miles from Pine Point.

MR. HALL: I think that is an island. I haven't seen it. I don't know. I haven't been in that close. I understand it is an island.



THE CHAIRMAN: It is a what?

MR. HALL: An island that was built up or dredged out. I don't know. As far as I know I have never been in that close. I know it is very shallow definitely.

MR. GAINER: Mr. Bromley, may I ask you this question. If this seems too broad or unfair I don't want to press you, but let us say if the position of the far north is more or less indifferent between the route chosen here or perhaps a railway at all, what is the line of thinking as an alternative that might be suggested -- I admit this is perhaps outside our Terms of Reference since we are here to deal with choice of the route, but what is the northern thinking in terms of an alternative to rail transportation if it is not felt an extension of the railway would really effectively reduce rates?

MR. BROMLEY: Dr. Gainer, I think we have already mentioned an all-weather road into Yellowknife with a bridge across the Mackenzie. There has been some discussion of subsidized air freight into the north country. Generally I would say that the Board of Trade's feeling is that we should have an all-weather route from Edmonton to Yellowknife.

THE CHAIRMAN: You are more interested in an all-weather route from Edmonton to Yellowknife



than you are in a railway, are you, Mr. Bromley?

MR. BROMLEY: I think that is the feeling of the Board, Mr. Manning; as well as coupling it with a railway which would have a certain tendency to open up the country between, say, Manning and Hay River; but as the Yellowknife Board of Trade I would say we would be more interested in having an all-weather route with a bridge across the Mackenzie than a railroad.

THE CHAIRMAN: I have understood that there have been some arguments advanced along these lines in favour of a railroad. If there is a railroad which came to the south shore of the Great Slave Lake or some point on the Great Slave Lake, ore that might be mined north of Great Slave Lake could be taken fairly rapidly across the lake and then it could be loaded on a railway at a point which had some harbour facilities on the south shore and taken from there to the smelters. Is that so?

MR. BROMLEY: That has been tried in this country, Mr. Manning. I would like to say for a man or a business to tie up their capital and their stockpile and only be able to ship out for three months of the year, it is not too sound a business venture.

THE CHAIRMAN: Does it not seem to you to be practicable to stockpile concentrates?



MR. BROMLEY: Well, I am a little over my depth as far as mining is concerned. May I ask Mr. Horton, my colleague, to give you the answer?

THE CHAIRMAN: I would be delighted if you would.

MR. HORTON: I wouldn't care to answer "Yes" on the wisdom of stockpiling ore.

THE CHAIRMAN: From the point of view of the Board of Trade?

MR. BROMLEY: Looking at it in a business way I would say it would be a poor venture.

MR. FEEHAN: I was wondering if I might ask Mr. Bromley in the event that the northern terminal of the railway were to be at Providence, would then his Chamber of Commerce have any preference as to the east or west route?

MR. BROMLEY: None whatsoever.

THE CHAIRMAN: I think that is all, thank you very much, Mr. Bromley.

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SUBMISSION OF
MR. E. R. HORTON

Appearances:

MR. E. R. HORTON

THE CHAIRMAN: Mr. Horton, you have a brief with which you have kindly furnished us a copy.

MR. HORTON: Gentlemen, I must apologize for this brief. It was a little sloppily typed. There are numerous typographical errors in it. As I go through it I might digress here and there but you will have a copy to follow me.

To review the history of the past few months which led to the appointment of yourselves to report on the alternative routes which might be followed by a proposed railway line from northern Alberta into the southern part of the Mackenzie section of the Northwest Territories would be but to cover familiar ground and little time will be spent in this submission in doing so.

However, it would appear that the railway might have been started by this time (probably from Waterways, Alberta, as the southern terminus) had



not vigorous outcries arisen from section of the Peace River country.

This resulted in a delay, even though funds had been appropriated in the Federal budget of 1958 for the project. The clamour remained unabated until the appointment of yourselves as a Commission. Fact that a delay resulted from the Peace River campaign was greeted by residents there (some of them) as a great victory, even though the people who might have been served by this railway took a more sober view and failed somehow to regard the postponement as anything but a setback for northern development.

However, the anxiety of the Peace River people is appreciated and those Canadians resident in the Territories are not as a result of the delay prejudiced against that route.

Yellowknife can only be concerned about this railway because of a belief that it will accelerate the pace of northern development, if only by its presence. This should lead then to a population increase and this in turn lower costs.

But for the immediate future, if the railway is eventually built, use of it by Yellowknife industry will mean either an increase in the cost of goods laid down in Yellowknife or a generous government subsidy toward the operating costs of the road.



The rate on newsprint for instance from Edmonton to Waterways by rail is \$1.77 -- but from Waterways to Yellowknife by barge it is two cents less or \$1.75 and a much greater distance is covered.

I have here two bills of lading, one from the Canadian National Railways covering a shipment of newsprint. Incidentally, this is the same shipment, 95 bundles of newsprint. The railway charged for 10,070 pounds and the Northern Transportation charged me for 11,400 pounds. What I am concerned about at the moment is the rate which is quoted on the rail bill of lading as \$1.77 and on the Northern Transportation Company at \$1.75.

It seems obvious then if the rails are to continue northward and the rate charged increased anything like in proportion to the distances covered, it will be much more expensive to land goods at the south shore of the lake.

And barges or tractor trains will still have to be used from this northern terminal for goods to reach Yellowknife.

And this brings to light the need for a thorough study of harbouring facilities at Pine Point, Hay River or Fort Providence. Which should be the end of steel?

If I might digress here and state another



alternative was offered just this afternoon and that is Bell Rock where there are now adequate harbouring facilities. Bell Rock may be the ideal spot for the northern end of the railway.

THE CHAIRMAN: Where is that, Mr. Horton?

MR. HORTON: I am not just sure where it is. Eight miles north of Fort Smith.

No opinion is ventured here except that since this proposed railway is primarily designed to help open and service the north it might be of value to have its northern end at Fort Providence.

This is what was mentioned by Mr. Bromley.

Here it would couple with barges for down river, and the Mackenzie river is open for traffic much earlier than Great Slave Lake. Here too it could couple with almost completed highway to Yellowknife.

That route will probably be in service very shortly through here to the Mackenzie.

This could mean and should mean the building of a bridge over the Mackenzie at that point, in itself a move required to complete Yellowknife's link with the Mackenzie highway and the "outside".

Terms of Reference for the Commission seem a trifle restricted, but it is my feeling that the Commission might and should also consider the great strides made in the past few years by other



means of transportation and give earnest thought to the idea that truck and air transportation are playing a larger and larger role in the matters of carriage of goods.

Here we depart, I will admit, from the Terms of Reference, but I also submit that the terms of life of this railway should have some bearing on the selection of the route, the useful life of this railway should have some bearing on the selection of the route. Without going into palmistry or card reading or the crystal ball, I feel that perhaps the day of the railway is nearing an end.

In so far as this north country is concerned, what progress has been made -- and in spite of detractors that progress has been considerable -- has been made by the airplane. A look at the topography should illustrate why this is so. Here are no lush farms to contribute crops to be carried by rail or road. Here are no corner villages at ten-mile intervals. Here is only settlement around where mines have been found or other resources are being exploited.

Such settlements are now infrequent and are likely to remain so. This means that railways or roads must pass through literally hundreds of miles of waste country incapable of supporting human life in the terms of our civilized standard of living.



In other words habitation is in small clusters, and the easiest way -- the shortest -- and the least expensive is the use of the airplane.

I would urge the Commission then to take a look at this phase of the problem. Does the truck and the airplane really spell finis to the day when a railroad was necessary?

Already in the United States and in Europe the airplane is challenging the passenger train and the trans-Atlantic passenger boat from the point of view of cost, let alone in the matter of time. Anyone on a tourist flight can cross the United States by plane for much less than by train - and when all factors are considered the plane crossing the Atlantic has forced the steamship lines to offer new and increased luxury services to coax passengers away.

Power of the truck to supplant the railway is seen in England where the nationalized railways are facing serious problems because trucks have cut so seriously into the freight business and buses into their passenger revenue.

Makers of the latest jet or turbo-prop freighters claim direct flying costs of less than 4 cents a ton-mile. Even the now outmoded DC6s could operate, and are operating, for less per ton mile than the Alberta truckers claim they must have to stay in business.



Now to refer to the cost of \$1.77 and \$1.75 a hundred for newsprint as above. So far as my business is concerned it cost us \$3.02 a hundredweight to move this paper from Edmonton to Yellowknife, a distance of a little more than 600 miles as the crow flies. Thus it costs a little better than \$70 to move a ton 600 miles (and I am not here concerned with the number of ground miles covered; so far as I am concerned those goods have only moved the direct distance between the Edmonton warehouse and mine.) This is 11.66 cents a ton mile.

Advent of the railway will move this figure upwards.

Can Yellowknife then be blamed because her people seem indifferent to the construction of this railway? The psychological effect of rail lines into this part of Canada will be of great value to those "outside" but until there is official and almost ironclad agreement that Pine Point will go into operation will the effect of the road on northern development from a dollars and cents point of view be important?

It is my feeling that the Government should be urged to put first things first -- if necessary, subsidize exploration by means of assistance to charter and scheduled air operations, perhaps by helping in the cost of aviation



fuel, find the mines, obtain adequate assurance that operations will get under way at once, and then build first airstrips, then roads and finally, and if then required, railways.

In terms of history it was only yesterday that the people around the village pump were sure the horse would never be replaced as a beast of burden, that the hitching post was here to stay.

Can anyone be sure that the railway station may not follow the hitching post and the watering trough?

Informally presented for your consideration.

E. R. Horton.

COMMISSIONER THOMPSON: Mr. Horton, how many months of the year can barges operate if you go right into the south shore of the lake?

MR. HORTON: To the south shore of the lake?

COMMISSIONER THOMPSON: How many months can we be sure of getting barges into Yellowknife?

MR. HORTON: Perhaps four months.

COMMISSIONER THOMPSON: How many months more during the freeze-up?

MR. HORTON: One month. One month or six weeks, perhaps.

COMMISSIONER THOMPSON: So you have only



got six months that anything can be brought into the south shore of the lake. That is going at a good pace. Right?

MR. HORTON: Right.

COMMISSIONER THOMPSON: Can't you build an ice bridge? How long would it be before you could build an ice bridge across that river in the fall months?

MR. HORTON: An ice bridge. I wouldn't be too well acquainted with it. I heard it discussed by people who are supposed to know. I understand that an ice bridge could be built after the formation of ice in a relatively short time.

COMMISSIONER THOMPSON: You would be pretty safe to assume after a month in this country that you could cross with trucks possibly?

MR. HORTON: On the ice bridge?

COMMISSIONER THOMPSON: Yes.

MR. HORTON: I would say six months. I couldn't say. That is just an opinion. It is not an expert one at all.

COMMISSIONER THOMPSON: Even if you didn't get the bridge across to Fort Providence you wouldn't be too badly off as compared with only six months' transportation across the lake, assuming you were trying to bring it here.

MR. HORTON: Yes.



COMMISSIONER THOMPSON: It would be desirable but it would be only -- you would only have possibly a month's use at the most?

MR. HORTON: I was going to say six weeks.

COMMISSIONER THOMPSON: That would be a good advantage at that rate.

COMMISSIONER GAINER: Just a couple of points, Mr. Horton, I would like to be clear about myself. Would you have any idea what it would have cost you to have the same newsprint brought by truck from Edmonton? This is \$3.52 per hundred pounds.

MR. HORTON: I think it would have cost me about \$4 a hundred, which is less than a carload.

COMMISSIONER GAINER: The other point was this, it may well be that at the present time the rail rates are extremely high as they are per mile through NAR and the waterways. If one were to go on the assumption that were it to be built up as a result of a base metal proposition, is that not likely that would reflect substantially in railway rates, say from Edmonton to Waterways or from Waterways to Yellowknife?

MR. HORTON: It is quite possible but we have been paying construction rates now ever since I came up here in the north and ever since the railway was built to the Waterways. We have



been paying construction rates. I do not see that continuing it on to Pine Point, where it would be definitely under construction, would mean any decrease in rates for perhaps another ten years. Those of us who are in this country don't want to wait ten years.

COMMISSIONER GAINER: In general you would say that possibly the Pine Point development going ahead, even if it is a condition of the railroad being built, is not likely to have any great effect on Yellowknife and the North?

MR. HORTON: Not for a while, going on what has happened up to the present. Even if Pine Point could be put into production how long would that take; five years before they actually start to produce any great tonnage of concentrate? I would think it would be at least five years. Our people here can tell you more about that.

I just remember a speech made by Thair Linsley when he left the presidency of Frobisher, I think it was, in which he predicted the carriage of concentrate from Great Bear Lake say to tide-water for 4 cents a ton-mile by air.

I will admit this beyond the Terms of Reference except I think that the Commission may bear in mind perhaps the railway is not going to last -- its usefulness will not last for twenty-five or thirty years in view of the rapid development of air and other forms of transportation.



THE CHAIRMAN: If the Pine Point line is developed would you think that perhaps concentrates may be taken from Pine Point to Trail?

MR. HORTON: Oh, yes.

THE CHAIRMAN: By air rather than by rail?

MR. HORTON: I think it could be done. I can see that development. I do not see it within the next five years but I can see it developing that way. If Thair Linsley thinks that concentrates may be carried from Great Bear to tidewater for 4 cents a ton-mile -- I don't know. He has so publicly stated. The same thing could well apply to the operation at Pine Point.

COMMISSIONER GAINER: Just to summarize: would it be fair to say, then, that the development or not of Pine Point properties is felt to have little effect on the development of Yellowknife and the North?

MR. HORTON: I think I said in my brief that it would have the most encouraging psychological effect; that people would feel more inclined to move into and more inclined to invest in a country in which the traditional railways ran, but I think it is a matter of tradition -- of feeling that the railway is there, it must be all right. It gives a feeling of permanency to the investor.

THE CHAIRMAN: You have some anxiety



about these freight rates, Mr. Horton, and what will happen to them if a railway is built.

MR. HORTON: That is right.

THE CHAIRMAN: I take it you are afraid costs will go up.

MR. HORTON: That is right.

THE CHAIRMAN: I take it that you are so well pleased with the efficiency of the Northern Transportation Company at the present time you do not like to see any competition that might interfere with it.

MR. HORTON: I wouldn't go that far. I didn't go that far.

THE CHAIRMAN: Perhaps you implied that, did you?

MR. HORTON: No, I didn't. I referred to water transportation in general.

THE CHAIRMAN: The rates of the Northern Transportation Company are very low as compared with the rates of the Northern Alberta railways?

MR. HORTON: Oh, yes.

THE CHAIRMAN: Have you any fear as to whether the Northern Transportation Company might cease its operations or might increase its rates if the railway were to be built?

MR. HORTON: No. The Northern Transportation Company's services would still be required, as far as Yellowknife is concerned,



particularly if the end of steel was at Pine Point. Certainly the mines would require a good many things, a good many thousands of tons which would have to come here and Northern Transportation Company, I believe, would be available to carry it, I am sure, besides down river freight. Should end of steel be at Providence I think the Northern Transportation Company would still be available -- I know -- to haul freight down river from there.

THE CHAIRMAN: Mr. Broderick is here. If he doesn't mind I would be grateful to him if he would tell us whether he thinks the freight rates would be changed if the railway were built.

MR. BRODERICK: I do not think any rates would be changed, Mr. Manning.

THE CHAIRMAN: You think the services would continue?

MR. BRODERICK: I think so.

THE CHAIRMAN: And the rates would remain the same?

MR. BRODERICK: Pretty well.

COMMISSIONER GAINER: While you are here, Mr. Broderick, may I just extend that for a minute. Is it likely in your operation of barging that there might be times when you find use for or may be able to reduce costs to the shipper by using rail in emergency weather or low water periods or something of that sort?



MR. BRODERICK: This depends, of course, on the amount of cargo you have got, what your volume of cargo is going to be. As I told Mr. Horton this afternoon, as far as we are concerned, we couldn't care less which way this route went in. We are prepared to move our waterway facilities to the Peace if it came down that way, or we would move our water facilities to Slave Lake where end of rail would be.

I think your volume of freight down the Mackenzie is something you have to more or less consider because I think right now you are talking of barges from Pine Point -- the tonnage down the Mackenzie at the present time is negligible, as far as we are concerned.

COMMISSIONER GAINER: Would it not be true to say that almost well over eighty per cent of your total water tonnage moves into Lake Athabaska rather than down river?

MR. BRODERICK: Of a 190,000 tons for the whole system last year over 100,000 tons went into the Athabaska area. That is from point to point in the Northwestern Territories, Norman Wells, Yellowknife, Fort Smith and so forth.

COMMISSIONER GAINER: Would you be able to suggest how much would be actually down river, excluding the Yellowknife area, how much would move from Fort Providence down?



MR. BRODERICK: I would say that with the DEW line in operation, which is one we cannot depend on, we don't know what is going to happen to that -- there is another thing, too, that is over at Port Radium -- we do not know how long that tonnage will exist -- the overall tonnage north of the Great Slave Lake would be less than 30,000 tons.

COMMISSIONER GAINER: Including the DEW line?

MR. BRODERICK: That is right.

COMMISSIONER GAINER: I am just interested as to whether or not the railroad is likely to have anything to do ever with the cost of the portaging on your water route.

MR. BRODERICK: I think coming in to this point here, I would say that the portaging costs alone were between \$9 and \$10 a ton.

COMMISSIONER GAINER: Some of it possibly might be adjusted by transshipping.

MR. BRODERICK: Of course you have a certain amount of handling to do such as at Bell Rock and also at other places. The overall cost is between \$9 and \$10 across that portage.

COMMISSIONER GAINER: Thank you very much.

THE CHAIRMAN: Thank you, Mr. Broderick. We did not mean to take advantage of you, really.



We are very grateful to you for what you have told us.

Have you any more questions, Mr. Feehan?

MR. FEEHAN: I don't think so, sir.

THE CHAIRMAN: Thank you, Mr. Horton, very much. I think that closes the sittings for this afternoon. We have nothing else scheduled for Yellowknife but we will be here until tomorrow -- we are staying at the hotel -- and if any of you have anything that you would like to add or if you would like to make any submission to us I think we will be only too glad to come back here and listen to them.

We will adjourn now until September 4th at Fort McMurray.

---The hearing adjourned at 5.05 p.m.

ROYAL COMMISSION
ON
GREAT SLAVE LAKE RAILWAY

HEARINGS

HELD AT
FORT MCMURRAY

VOLUME No.: *1-A* DATE:

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ROYAL COMMISSION
ON
GREAT SLAVE LAKE RAILWAY

Hearings of the Royal Commission
on The Great Slave Lake Railway
held at Fort McMurray, Alberta,
Northwest Territories, at the
Town Hall at 10:20 a.m., September
4, 1959.

PRESENT:

Mr. M. E. Manning	-- Chairman
Mr. Walter D. Gainer	-- Member
Mr. John Anderson-Thompson	-- Member

COMMISSION COUNSEL:

Mr. Francis M. Feehan	
Mr. A. Paterson	-- Secretary



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THE McMURRAY CHAMBER OF COMMERCE BRIEF

We, the Chamber of Commerce, are presenting in this brief our views on the route to be chosen for the proposed railway from northern Alberta into the Northwest Territories. We shall demonstrate why this railway should extend from the northern end of steel at Waterways.

First we shall refer to the accurate report of the Royal Commission on the Development of Northern Alberta under the chairmanship of Mr. J. G. McGregor. This Commission had no political or personal bias, but with an overall picture of Canada's economy in mind made the recommendation of the Waterways route.

McMurray now is the main supply point for northern Saskatchewan, the McKenzie valley, and the western Arctic. Any other route than the Waterways route would leave Beaverlodge and northern Saskatchewan without even remote rail service. This rail extension would traverse the fabulous oil sands, the world's largest oil reserve. The development of these sands is now merely a matter of costs: the largest of transportation. These can be met reasonably by a railway close to the Athabasca river where the new multi-million dollar pilot plant is about to begin operation.

The advantage of the Grimshaw route claimed by its supporters is that it will open



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up new land for farming. With twenty per cent of our tax dollar subsidizing agriculture in one way or another, the need for more farmland is not proven. Waterways freight is bulk freight and machinery, building materials and many other industrial goods.

Another serious drawback to the western route is that for future development into an industrial region the Peace River country lacks the water essential to any industry or large city, whereas the McMurray route has an abundant water supply with prospects of huge water power development. The area also has good timber for logging or pulp, and industrial mineral prospects such as gypsum, limestone, sulphur, fireclay, and by-products of the oil sands. We agree with previous recommendations for opening the Wood Buffalo Park to mineral exploration particularly by geophysical methods. As with lumbering now allowed in this Federal Park, mining would be under supervision of the wildlife conservation officers.

Every year McMurray ships south about two million pounds of the choicest fish from Lake Athabasca and smaller lakes. Transportation by rail would enable the shipments to increase and bring tourist possibilities for sport fishing. Lake trout, pickerel, jackfish, "Winnipeg" goldeyes, salmon trout, and the exotic Arctic grayling can be taken in the lakes and rivers of the area



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whose beauties are not yet known to many.

The Waterways route with its capability for industrial development would soon become a paying proposition and offer better living for all northerners. The western route which is much longer would have to be carried as another form of agricultural subsidy by all Canadian taxpayers. The location of this railroad should be considered of value for strategic and defense purposes.



THE CHAIRMAN: Perhaps we can come to order now. You would like to know who all of us are. My name is Manning. To my right is Mr. Anderson-Thompson. Mr. Gainer is on my left. Mr. Paterson is our Secretary and Mr. Feehan is our Commission Counsel and we have our Reporters over here. Mr. Chapman reporting for the Commission and Mr. Hayter reporting for the newspapers.

We apologize for being late, Ladies and Gentlemen, but we succumbed to the temptation to see some of the very interesting things that there are to look at in your town and district around it. We have enjoyed it very much. We hope we have not caused you any undue inconvenience by getting here a little bit late.

I think I will ask Mr. Paterson our Secretary to read the terms of reference of our Commission. Most of you probably have heard them but may be interested in having your memories refreshed on the question of what it is our job consists of.

MR. PATERSON: P.C. 1959-705. Certified to be a true copy of a Minute of a Meeting of the Committee of the Privy Council, approved by His Excellency the Governor General on the 4th June 1959.

The Committee of the Privy Council, on the recommendation of the Right Honourable John George Diefenbaker, the Prime Minister, advise that



Marshall E. Manning, Edmonton, Alberta

Walter D. Gainer, Edmonton, Alberta

John Anderson-Thompson, Yellowknife,
Northwest Territories

be appointed Commissioners under Part I of the
Inquiries Act to inquire into and report upon the
respective merits of the alternative routes which
might be followed by a railway line to be built from
northern Alberta into the southern portion of the
District of Mackenzie, Northwest Territories, for
the purpose of providing access to and contribut-
ing to the development of that portion of the
Territories tributary to Great Slave Lake.

The Committee further advise:

1. That the Commissioners be authorized to exercise all the powers conferred upon them by Section II of the Inquiries Act;
2. That the Commissioners adopt such procedure and methods as they may from time to time deem expedient for the proper conduct of the inquiry and sit at such times and at such places as they may decide from time to time;
3. That the Commissioners be authorized to engage the services of such counsel, staff and technical advisers as they may require at rates of remuneration and reimbursement approved by the Treasury Board;
4. That the Commissioners report to the Governor in Council with all reasonable despatch; and
5. That Marshall E. Manning be Chairman of the Commission.

THE CHAIRMAN: We have had filed with us a
brief from the McMurray Chamber of Commerce and I think
that copies of it have been circulated, have they
not?



Submission of the McMurray Chamber of Commerce.

APPEARANCES:

R. A. Duncan

Milton MacDougall

Mr. Peden

THE CHAIRMAN: If anybody wishes to have the brief read we will be very glad to have it read but, if not, I think it is to be taken that it has been read and it is on file. I think Mr. Duncan has planned to call some expert witnesses on the arguments that have been advanced. Am I right in that?

MR. DUNCAN: That is right, Mr. Chairman. That is the way we would prefer to have it presented.

THE CHAIRMAN: I would like to emphasize' this: that if anybody wishes it read, we will certainly have it read but if not, why, we will let Mr. Duncan present his case in his own way.

MR. DUNCAN: Thank you. Incidentally there are copies available here to those who did not get them, they can get them after the meeting.

What I would like to do is just to give a short preamble by using maps and compare it probably to Grimshaw in a friendly manner --. Incidentally Mr. Baldwin, the M.P. from Peace River is here. We have to be a little cautious in what we say here.

Our brief, as you may have read, takes in our efforts and all the rest of it and we would just



like to compare the two routes now and then call up people that have spent time up in the areas or both areas for comparisons who perhaps know more about this than I do.

Taking the two routes, both going north, forgetting about going south, which is only right, starting with McMurray the first thing of course, we have is -- maybe not too important -- but up river on the Athabasca we have one of the largest Hydro projects within seventy miles at McMurray available in Western Canada; and that goes for the Peace River Project. There is one million six hundred thousand horse power available here, considered very economical to develop. That is by the Power Commission of Alberta, the Calgary Power and other Power companies. That is quite a factor when you have your commercial development that is to take place in the north. That naturally requires power.

Then going on down river we have Mildred Lake offering a private plant and it has been arranged after the meeting for this Commission to go down and visit the plant. I don't think there is too much use explaining about that. You will see it. They may tell you a little more than they tell us.

As you get towards Beamont there is quite a proven clay deposit in there. That is used for stoneware and electrical work such as insulation



glass. There is quite a deposit --

THE CHAIRMAN: How far is that from here?

MR. DUNCAN: Forty-two miles. It would take your route to the centre of the proven deposit. All this is just to back up the contentions, of course. As we go down river you come close to the location south-west of Lake Claire where you have your fishing down there. Last year the fish that was brought out of Lake Athabasca was around one million eight hundred thousand pounds during the season. This year it is probably going to be over two million. From Lake Claire they fly the Goldeyes out of there. It would develop more if the railway were to go in that way.

Of course, when you get to Peace Point you have your gypsum deposits which have been proven. That gypsum deposit is closer to Edmonton and Calgary than from where they are getting the sources in Manitoba at the West or south from the States, so if the railway went there that gypsum is closer to the manufacturing centres than all the other deposits are.

Another contention we have is that the Buffalo park should be opened up to prospecting. For a while it was closed to timber. Now they have opened it up and the Swanson Lumber Company and Denny Logging are operating in there. We feel it is only right that the companies -- if you do not take



the timber off it is going to burn up or deteriorate anyway.

Prospecting for minerals -- there is no reason why that cannot be handled in there. You have your conservation officers looking after Buffalo anyway. Apparently they are taking care up there so I don't think this would worry them too much.

Nat Jasper argues that would interfere with the wild life; that is the contention, to keep it as it is, but the buffaloes do not use the whole park so they could be kept where the mining property was not.

According to the geologists that have been up there, living up there, Gallop and Bill Godfrey, some of them claim there is great mineral potential in there, quite a few minerals. They found that by prospecting when they were travelling. They were not supposed to be there but they arranged it that way; so Buffalo Park should be opened for prospecting. That is the contention here.

Of course, the economics behind the two routes will be studied by the railroads. They are putting a brief in. They will cover that quite thoroughly.

THE CHAIRMAN: May I stop you for a moment. I am not sure I got this. In speaking of the opening of Buffalo Park to prospecting you mentioned two



names, Gallop and Godfrey.

MR. DUNCAN: Yes, two geologists. They worked in the area.

THE CHAIRMAN: They worked in the area and did they think that there is a fine mineral potential in there.

MR. DUNCAN: I may have said it the wrong way. Nobody is supposed to work in there. It is still reserved but they have been looking at it from the air.

THE CHAIRMAN: They both speak highly of it?

MR. DUNCAN: Yes.

THE CHAIRMAN: Have they published any reports on it?

MR. DUNCAN: I think we got one of the reports from the Northern Development Meeting that was held in Edmonton.

THE CHAIRMAN: Written by Godfrey.

MR. DUNCAN: Yes. That was last year.

THE CHAIRMAN: Do you know where it is published?

MR. DUNCAN: I think I have a copy I can get for you after.

THE CHAIRMAN: You can give us a copy of that, can you?

MR. DUNCAN: Yes.

THE CHAIRMAN: Do you know whether Mr.



Gallop has written a report on it?

MR. DUNCAN: I have just heard Mr. Gallop verbally in a meeting.

THE CHAIRMAN: In connection with that area?

MR. DUNCAN: That is right.

THE CHAIRMAN: I hope you did not mind us interrupting you.

MR. DUNCAN: No.

THE CHAIRMAN: We like to clarify our thinking as we go along.

MR. DUNCAN: Comparing it to the other route, as far as we know to-day, there is a very low grade iron ore deposit -- in this area here -- which is served by a railway to-day. The ore has not proven worthwhile. The railway from Grimshaw would not go anywhere near it. To open up this area this way to farming land -- there is quite -- anybody who has been over there will know -- there is vast areas that are not suitable for farming.

The Financial Post of March 24th made a statement that roughly twenty per cent of our tax dollar goes to subsidize farmers in one way or another; whether it be transportation or wheat that is given to other countries so our contention is that why open up more farm country till the economic balance have somehow showed it doesn't cost the taxpayer so much to subsidize farming. Let



it balance itself off.

So let us open up this area to industry in here and make a market for this. The way it was on this route they are limited.

You have the Vermilion Chutes which is hardly practical at all for some time. Of course, we have the Hydro project at Fort Smith of one thousand hundred/horsepower there so I think we have a fair potential at each end of this proposed route and I cannot see any reason why the railway should not go that way.

The effect it will have on our mining town-- you might say Northern Transportation Company is rather contentious. Some of us think it would not affect us too much as industry moves north. Actually there is a very good parallel in the opening up of the northern and southern states. There is still increasing river traffic on the Missouri and Mississippi and there is a place for this type of transportation. This is all for a heavy industry area actually. As far as I personally am concerned my feeling is that they will still go on as they are now and probably have more freight to haul than they have now.

I think that is just a preamble of what we propose. I would like to ask a man who has covered the territory a lot more than I have and



done a lot of prospecting, Mr. MacDougall, to comment a little more on the minerals. If you ask him questions he will be able to answer them.

Would you mind coming up Milt and enlarging a little on the mineral potential for the proposed route we urge.

THE CHAIRMAN: Mr. Duncan, before Mr. MacDougall comes forward, I would like to ask you if you wouldn't mind telling us a little more about why you say ~~that~~ the Vermilion Chutes are not now practicable for water power.

MR. DUNCAN: It is the structure of the land. It is very difficult to put Hydro in there compared to your sites on the Athabasca or Smith. Your shore line and your rock formations are not as desirable as they are in these other two lakes.

MR. MACDOUGALL: Mr. Chairman, members and ladies and gentlemen: I think Bob has covered most of what I had intended to say. I have another map here. You cannot see it very well from the side so I am putting it over here.

I do not think I will be able to answer any technical questions regarding mining because this is strictly potential and not tonnages at the present time. If it were tonnages why, of course, there would be a mine operating and that would be it.

This is a map from the Lands and Technical



Services in Ottawa showing in this pink area the Precambrian Shield which, you will probably see, runs down like so and back. You will notice that if the Railway was built from here to Pine Point that the railroad parallels the Precambrian Shield at not too great a distance.

Now, there are a lot of mines operating which are situated on the fringe of the Shield and since we are so close to the Shield is there not any reason why there is not a mining potential parallelling the proposed railroad; whereas if the railroad was built from Grimshaw to Pine Point, the distance would be much greater from the Shield and therefore spur lines would eventually have to be built into the mining areas.

Nowadays due to geophysical prospecting, it is not necessary to see ore on the surface -- in other words stumble over an outcropping of pyrite et cetera. It is done by instruments. Is there any reason why there could not be a mine along the edge of the Shield from here to Pine Point; the same as this iron ore body found at Prince Albert which is two thousand feet underground through the Precambrian. In this area the distance to the Precambrian is much shorter, I believe forty or forty-five miles, so that would mean you could touch Precambrian at nine hundred feet, and there may be in the future a



potential gold mine not too far distant. All we need is capital to explore it.

Going to the --

THE CHAIRMAN: Is that potential gold mine something that is known or something that is hoped for?

MR. MACDOUGALL: It is from an old oil well that was drilled in 1911.

THE CHAIRMAN: Is that something that is publically known?

MR. MACDOUGALL: Yes, publically known. It has been in the papers a year ago.

THE CHAIRMAN: Can you tell us a little more about that then.

MR. MACDOUGALL: It is something that originated in the States a year ago last May. The boys dashed in here from the States. They obtained an affidavit from one of the drill holes that had been drilled in 1911 from an old timer but they didn't want to go ahead with it. Some day somebody will have some spare capital, risk capital and will go ahead and drill a hole. According to the affidavit there is lots of gold.

COMMISSIONER THOMPSON: Where is that?

MR. MACDOUGALL: Forty or forty-five miles down river from here.

COMMISSIONER THOMPSON: Is there any outcropping there?

MR. MACDOUGALL: No outcropping.



COMMISSIONER THOMPSON: What were they drilling for in the first place?

MR. MACDOUGALL: Oil -- the old churn pipe.

Going over to this map, which is all marked up, this hashed area in here is more or less the outlets of the present known oil sand deposit. They have been extended due to recent drillings. You will notice the railroad would pass through the core of the heavy oil sand deposits.

At Mildred Lake Cities Service Research and Development Company just recently established a pilot plant about twenty-five miles from here down the river. The railroad would almost touch this plant. No doubt they could make use of rail service. If they are test proven they could enlarge their plant.

I think Mr. Hanna from Cities Service and Mr. Chase from Royalite will be in in a few minutes. They are flying in this morning and one of our men is going to drive them down from the airport. They should be here in another five or ten minutes. They can give you more information on the operation. I hope they mention by-products. They may not, but there is one by-product which is zircon, a by-product of the tar sands which is used for hardening steel and high temperature engines such as jets and rocket engines. Some of the best types of blast sands are another by-product.



At Medicine Hat some of the companies obtained their material from Illinois, which is twelve hundred and eighty miles away; whereas if it was obtained from this area it would be around four hundred and eighty miles -- quite a difference.

The sulphur, I believe, is around four or five per cent. Sulphur is a by-product as well. There is a lot of Sulphur used in the mining areas north of here. There is fire clay for ceramics, et cetera. You would pass through the timber areas along the east side and there is a lot of jackpine for railway ties. The boys are just waiting. I see them sharpening their saws now for rail ties.

Apparently the road would pass on the west side of Claire Lake which is one of the last lakes where Goldeye really fly, around a quarter of a million pounds of fish per year.

THE CHAIRMAN: Is it flown in now?

MR. MACDOUGALL: It is flown in by Canse Aircraft.

THE CHAIRMAN: It doesn't come in by boat?

MR. MACDOUGALL: No.

THE CHAIRMAN: Some of the fish does come in by boat, does it not?

MR. MACDOUGALL: Yes. They come from McGuiness Fisheries over at the point there, brought in by barge to the Fraser here and then sent out by rail.



COMMISSIONER GAINER: Just on that point, Mr. MacDougall. What is the limit of the fishing season in Athabasca? Has there always been two seasons, winter and summer or one? Is there one every year?

MR. MACDOUGALL: It operates every year during the summer. If there is someone here from McGuinness Fisheries they can answer that a lot better than I can. I believe they have in the past years fished commercially over the ice and drawn fish out. That is quite a few years ago.

Bob has already mentioned the potential gypsum which is used in manufacturing cement. The Inland Cement Company of Edmonton obtain their gypsum from Manitoba. This would be much closer and apparently it is a good grade of gypsum.

There is a potential magnetic deposit -- I am not saying where -- the railroad would pass not too far from that if it went across over to Peace Point.

As Bob was saying prospecting this area has been cut down to a minimum because it is against the rules to prospect or mine in Wood Buffalo Park.

The railroad should pass into Fort Smith, which is the capital of Northwest Territory. There are a lot of people and development going on there. It would be an ideal situation if the railroad was tapped into their area.

Moving over to Grimshaw, if the rail



went through Grimshaw, I believe the potential regarding mining would not be near as great even though the railroad is -- well, it is about thirty or forty miles further from Grimshaw to Pine Point than it is from Waterway to Pine Point. I believe that is all I have to say.

COMMISSIONER GAINER: Before you go, Mr. MacDougall, would you care to comment on the Precambrian geology east of the river, south of the lake or north? Is there much mention of this region?

MR. MACDOUGALL: I have not studied the technical geology from the reports. I would not like to comment on that at this meeting. This is the idea: that the Shield does parallel the railroad at not too great a distance and if future mines were found along the edge of the Shield or in the overburden, it would be not too great a distance from rail. That is all I have to say. I will give somebody else a chance.

THE CHAIRMAN: Thank you, Mr. MacDougall. Mr. MacDougall, would you mind coming back for a moment. I think our counsel has a few questions he would like to ask you.

MR. FEEHAN: Can you, Mr. MacDougall, give me any estimate of the population residing between McMurray and say Fort Smith within a radius of fifty miles of the railway at the present time?

MR. MACDOUGALL: According to this map we have in the region of -- here we are -- here is



the outline here. McMurray located here -- one hundred miles to the north, maybe seventy-five miles to the south and one hundred and twenty-five miles to the west, almost to the Saskatchewan border, population forty-seven thousand.

MR. FEEHAN: Is that present population?

MR. MACDOUGALL: Sorry, concentration of population 1987.

COMMISSIONER THOMPSON: Whose estimate is that?

MR. MACDOUGALL: Mr. McGregor's report.

COMMISSIONER THOMPSON: What is your population at McMurray?

MR. MACDOUGALL: Around twelve hundred.

COMMISSIONER THOMPSON: Are there any
of
settlements north/McMurray at all? Is there any farming across the river?

MR. MACDOUGALL: Not so far.

COMMISSIONER THOMPSON: Any logging or any ranching?

MR. MACDOUGALL: There is logging.

COMMISSIONER THOMPSON: There is no ranching or farming settlement between here and the Lake Claire, is there?

MR. MACDOUGALL: No there is not. Fort Mackay is the first settlement and then Cities Service at Mildred Lake and at Embro Portage there is a small settlement there and Fort Chipewyan. The population of Fort Chipewyan itself, I think, is around twelve hundred as well.



COMMISSIONER THOMPSON: How many whites would that be?

MR. MACDOUGALL: I would say about one-third whites.

COMMISSIONER THOMPSON: By "whites", you mean non-treaty Indians, I take it?

MR. MACDOUGALL: Yes. There are saw mills around the Peace River. I am not sure what the population would be there. It varies and then there is Swanson Saw Mill, probably one hundred and fifty.

COMMISSIONER THOMPSON: One hundred and fifty so that altogether there would be --?

MR. MACDOUGALL: Altogether -- this is just my guess from flying around there, but the actual population --

MR. FEEHAN: It would be probably somewhere between five and seven thousand. Would that be correct?

MR. MACDOUGALL: Would I include Fort Smith?

MR. FEEHAN: Exclusive of Fort Smith. Would that be fairly close, do you think?

MR. MACDOUGALL: I think that is fairly high. It depends on how far west you go.

MR. FEEHAN: I was thinking of within fifty miles on each side.

MR. MACDOUGALL: That would be too high.

COMMISSIONER THOMPSON: If you exclude Chipewyan, there is not really very much anywhere,



is there? It would be about two thousand right now?

SPECTATOR: Mr. Chairman, maybe I could clear that up. I was talking to Mr. William, the R.C.M.P. He made a census a few years ago, he told me, within a radius of about one hundred miles of McMurray. The census was around twenty-two hundred. That seems to be the figure he quoted to me. I was writing a letter for the Chamber of Commerce to the C.B.C. on the population in this area to be covered by T.V. in the future.

THE CHAIRMAN: Pardon me. You said within a radius of --

SPECTATOR: That would come down around this Indian Reservation over here. You would follow the river. There is a settlement here on the east. It takes in the Saskatchewan and Alberta border.

COMMISSIONER THOMPSON: But to the north;
do
once you get across that river, /you find any permanent settlement till you get to Chipewyan?

SPECTATOR: I would say we have Embro, Fort McMurray, Mildred Lake, Fort Chipewyan and there is nothing west of here at all except the airport. There are a few small towns on the Nar, do not amount to very much -- a small population. It is scattered no matter where you go. This is the main population right here. I believe the census here was about eleven hundred.



MR. FEEHAN: Perhaps I could ask you another question, sir. I was wondering if you could give me any estimate of the total shipping which goes to Uranium City north from here into the north-land, that is via Portage?

SPECTATOR: I think this gentleman here in the audience George McLennan of Northern Transportation Company could answer that question. He would have that right on the tip of his fingers.

MR. McLENNAN: You mean into Northwest Territories? You are not including Uranium City?

MR. FEEHAN: Including Uranium City, the total shipping.

MR. McLENNAN: Possibly this year it would go around, I would say, one hundred and twenty thousand tons approximately. That would cover all northern points this year. Last year it was approximately one hundred and thirty thousand.

MR. FEEHAN: Of that how much would go to Uranium and that locality?

MR. McLENNAN: Roughly one hundred thousand. Twenty-five or thirty-five thousand from Fort Smith north including your Dew Line installation.

MR. FEEHAN: I will ask one further question. On the return trip how much would come out in one year?

MR. McLENNAN: From the whole of the north country?



MR. FEEHAN: From the whole of the north?

MR. McLENNAN: Oh you would get possibly six thousand tons. There is quite a bit, I believe, goes south as far as Hay River and is trucked from there.

COMMISSIONER GAINER: May I ask a question, Mr. McLennan while we are on the subject. I wonder if you could throw any light on what the feeling would be on the affect of the railroad, if there was an extension from here, on your own operation, Northern Transportation Company. What I am interested in particularly is how is it likely to affect the Portaging operation, we will say? Is it likely to break your operation into two parts from, let us say, Lake Athabasca from either here or Peace Point or are you likely to operate right from steel.

MR. McLENNAN: That would depend on your freight rates, I should think. It would be possible -- the railway goes through to Pine Point -- that we would have to move there where you are working out of Fort Smith. Now, you would possibly move over to Pine Point and work from there from the end of steel; work from here to the Lake Athabasca area. You would definitely have to --.

COMMISSIONER GAINER: There might be, I suppose, some good reason why portage operations might be suspended, would that be true?

MR. McLENNAN: That would be your reason,



the end of steel. You would get your freight up there through the south shore of the Great Slave Lake so that they would work out from Pine Point or Hay River instead out of Fort Smith.

COMMISSIONER GAINER: Just one other point. This, I would think, would be a question of some importance in the end. What would you think would be the general nature and size of the advantage of a railroad north from here for your Lake Athabasca freight which is, as we have seen, a fair proportion of the total traffic north, having in mind the four month shipping season and the possibility of working out of Peace Point and so on. Cost-wise to the cost of doing business in the Lake Athabasca region is it likely to have tremendous effect.

MR. McLENNAN: I think later you will have to ask Mr. Brothers that question. Anything I say is personal. I cannot answer anything for the company. My personal opinion is that your rate would remain the same if you work it from Peace Point or Waterways.

COMMISSIONER GAINER: The water rates would?

MR. McLENNAN: Yes.

COMMISSIONER GAINER: Would you say the kind of traffic that is moving into there is the kind of traffic that would likely still move in through water transportation or would it move over to rail traffic?



MR. McLENNAN: It would move over to rail because your rail would still be almost as far away as from waterways.

COMMISSIONER GAINER: But you think the effect of its operating another eight months of the year would not throw too much extra freight to the railway? That is most of the freight could still move in in a concentration in the summer months?

MR. McLENNAN: Yes, due to the distance of your rail from Uranium City.

COMMISSIONER GAINER: Would that apply now to sulphur, for instance, which they stock pile in Uranium City?

MR. McLENNAN: Yes, because with the cost of our bulk I don't think they would be able to truck haul that distance.

COMMISSIONER GAINER: So it would be fair to say then that a very large proportion of what is moving now into that area is likely to still move over there over water than rail?

MR. McLENNAN: Yes, I believe so.

MR. FEEHAN: You said that the rate would remain approximately the same. I was wondering if you meant the total rate from say Edmonton or the water rate in the event that the kicking-off point for your operation was at Peace Point rather than at McMurray?

MR. McLENNAN: I am meaning to say the water rate.



MR. FEEHAN: Your water rate would be the same regardless of where --

MR. McLENNAN: Would remain approximately the same. Any difference in rate, higher or lower, would depend on the difference in the rate from Edmonton to Waterways as compared with Edmonton to Peace Point. I think your water rate would remain substantially the same as it is now.

COMMISSIONER THOMPSON: May I ask a question. How much does it cost to ship one hundred pounds from Waterways into Uranium City?

MR. McLENNAN: The rate is one cent a pound and the rate on bulk products is forty-five cents a hundred and a carload lot is ninety cents a hundred.

COMMISSIONER THOMPSON: Therefore as it stands right now, if you bring something from Edmonton to Waterways, it cost you \$5.00, and then we move it from here to Waterways for about \$1.75. Supposing you put your railroad from here to say Peace Point or to Smith then would we have to pay another \$5.00 to get it from Smith as opposed to \$1.75 right into Yellowknife? In other words it looks to me as though it would cost Uranium City, if Uranium City is still there, then it is going to cost an awful lot more to get the stuff right down to Peace Point than it is to get it in the way it stands now? If you take



it down on the rail are you still going to charge that same rate? From McMurray down to Peace Point, will it be in proportion to, let us say, with the rail charges?

MR. McLENNAN: The water rates in my personal opinion would remain the same. It depends on how much cargo --. If the railway carriage was subsidized for the distance we would like to apportion the charge from McMurray up to Peace Point.

COMMISSIONER THOMPSON: You still have to take it across the lake.

MR. McLENNAN: Yes.

COMMISSIONER GAINER: As ^awater transport man you see little advantage in moving your warehouse and so on from there to Peace Point?

MR. McLENNAN: That is right, there is no advantage.

COMMISSIONER GAINER: You might just still trans-ship here rather than at Peace Point.

MR. McLENNAN: That is right. That is my personal opinion.

THE CHAIRMAN: I suppose railway transportation rates are not something you are concerned with, are they, Mr. McLennan?

MR. McLENNAN: No sir, we are not concerned.

THE CHAIRMAN: You are a water expert, not a rail expert?

MR. McLENNAN: That is right.



COMMISSIONER THOMPSON: Mr. McLennan, just before we go on, I would like you to put the tentative route on this map. How far back from the river would you say you would have to go? I mean, take the Athabasca. If you are putting a railroad say across here how far back off the river would you go to get away from all these rivers? There are twenty-five rivers and creeks between here and Peace Point. How far back would you get before you would want to build a railway there?

MR. McLENNAN: I cannot say. I have no knowledge of the proposed route. There is a man here that can answer that.

COMMISSIONER THOMPSON: I would like to get it on the map if somebody knows; approximately what might be the route.

THE CHAIRMAN: That is the railway.

MR. McLENNAN: You wouldn't go right on down river. If we can call on Mr. Peden. I think he can answer that a lot better than I can.

THE CHAIRMAN: Mr. Feehan, have you any more questions that you would like to ask?

MR. FEEHAN: There is one question I would think I would like to ask Mr. Duncan.

THE CHAIRMAN: Perhaps we can come back to Mr. Duncan. Are you through asking Mr. McLennan questions?

SPECTATOR: May I make a remark Mr. Chairman?



THE CHAIRMAN: Yes.

SPECTATOR: Well, I heard a remark made about the back haul of three thousand pounds. I notice a gentleman from Waterways in council spoke about it. I think that that is rather irrelevant because the railway going to Pine Point is going to parallel that and bring ore out so that the back haul is not -- I would like that to be on the record -- really relevant in this inquiry.

THE CHAIRMAN: What we are trying to do is to gather all the information we can. Some of it undoubtedly will be irrelevant. Some things that do not appear relevant at the moment may later appear to be of interest. We will certainly keep in mind the tonnage that has been suggested. We are going to consider that.

SPECTATOR: I thought that might be the Peace River argument.

MR. FEEHAN: The only reason I asked that question was to get the situation as it existed at the present time and not the anticipated situation which would result from the building of the railway.

SPECTATOR: Thank you.

MR. FEEHAN: There was one other remark Mr. Duncan made on which I would like to question him. He mentioned there was some difference of opinion on the effect that the railway would have to the Town of McMurray itself. I wonder if you could enlarge



on that.

MR. DUNCAN: Well, the reason I made the remark, on several remarks from the Associated Chambers of Commerce of Peace River -- they always have the N.A.T. falling out at McMurray. Locally we cannot see it ourselves. Mr. McLennan was referring to the Peace River remarks. Locally a few of us naturally disagree. That is naturally understandable. That is the reason the remark was made.

MR. BALDWIN: I might point out this gentleman is from Vancouver, which is a suburb of Peace River.

COMMISSIONER GAINER: May I just ask Mr. McLennan one quick question about something that interests me in the oil sands. Would you have or can you give us any information on how much asphalt was moved north or has been moved north in the last several years more or less for runway construction and that sort of thing? There was quite a movement I think two or three years ago. Has that continued?

MR. McLENNAN: We took three years -- I forget the tonnage now, but we took three different years and we did move considerable tonnage. It might have totalled over --. Well, it was ten thousand drums that went to Norman Wells and ten thousand to Smith and ten thousand drums to Yellowknife. What that weighs, I don't know.

COMMISSIONER GAINER: It is more a question



of the permanence of this movement. It all moves in by drums. My remark really goes back to the statement in the brief where it is suggested that further development of the oil sands is proposed and it is mainly a matter of cost and transportation cost. I should have thought that markets for the products would have a great deal to do with the prospective sale. I am inquiring more or less into the possibilities of this being put together, northern markets with southern markets. I am wondering what the permanent outlook is.

MR. McLENNAN: The asphalt that is moved, the asphalt has been solely for the purpose of black topping runways at Fort Smith, Yellowknife and Norman Wells.

COMMISSIONER GAINER: Is there pavement on the Portage strip or is that just scheduled.

MR. McLENNAN: That was scheduled. I think for the time being anyway it is going to be a gravel road.

COMMISSIONER GAINER: This may not be fair to ask you I realize, but would you have any notion roughly of how much asphalt would be required for any given distance in paving; what the proportion of asphalt to gravel would be, for instance, and let us say how many drums per given mile.

MR. McLENNAN: No, I haven't any idea at all.



COMMISSIONER GAINER: I know it is not an easy matter. Thank you very much.

THE CHAIRMAN: Any further questions?

MR. DUNCAN: There are just two more points I would like to skip over if I may. There is timber potential -- that has hardly been fairly shown on any of these maps because the Buffalo Park is reserved but they do not show the true figures. The timber that is in here -- they just show it that way -- anybody that has travelled over through here knows it is just as good as you will find in Alberta any place and if there was any permanent basis this maybe would change considerably.

COMMISSIONER GAINER: While we were on that I notice that the Alberta Government of course excludes the park but has there been any Federal Government estimate reached from there on the timber potential that you know of?

MR. DUNCAN: No sir, not that I know of. The foresters made a survey there within the last two years up to the southern part of Great Slave Lake. The only thing they have got that came out of it is, due to variation in climate, they claim a tree could be made productive within one hundred years and in other areas where other soil conditions do not lend themselves it takes about one hundred and twenty-five years. I got this statement from the forestry survey made in the last two years.



That is something that should be considered. Timber
can be taken out and ^{be}/reproductive better than in
other areas.

COMMISSIONER GAINER: You have no govern-
ment figures on Buffalo Park?

MR. DUNCAN: No. A lot of maps come out
like this. They probably have them but they have
not released the figures.

COMMISSIONER GAINER: That ^{is}/a federal map.

MR. DUNCAN: No.

COMMISSIONER GAINER: Provincial?

MR. DUNCAN: Yes. The reason I asked Mr.
Peden if he would come up, you may be asking about
the construction job of building the railway. Mr.
Peden has been working both in the Cape Breton area
and he has worked up in Ridge Hill where the rail-
way would go. He can answer any questions you would
like as to the type of soil.

THE CHAIRMAN: I would like to ask you
one or two questions, Mr. Duncan. You say that over
near where the Peace River flows into the Athabasca
there is some fine timber.

MR. DUNCAN: That is right.

THE CHAIRMAN: That is into Buffalo Lake?

MR. DUNCAN: Yes.

THE CHAIRMAN: Yes, and because of the
climate life or soil conditions or a combination
of both, trees grow better there than they do
further west?



MR. DUNCAN: Yes.

THE CHAIRMAN: And you say it takes them one hundred years to produce a good tree?

MR. DUNCAN: Yes, and a hundred and twenty-five years further to the west.

THE CHAIRMAN: The figures are new to me. How long does it take to produce a tree for timber say in southern British Columbia?

MR. DUNCAN: I have no idea to tell you the truth.

THE CHAIRMAN: Have you any idea how long it takes to produce a tree for good timber say around Grand Prairie?

MR. DUNCAN: I would think it would be fairly similar. They just said it was faster there than further west due to the climate and soil.

COMMISSIONER THOMPSON: I wanted to have it in mind before I leave where the railroad would be.

MR. PEDEN: Here is McMurray here. We can take off in a north-west direction till you hit the salt waters. This is the biggest swamp that they come out of. They come out of that to higher land up in here. You are just travelling about twenty or thirty miles along from the river. There is the main river. The MacKay River is one of the worst. It just parallels the Athabasca. It would be easy to cross it and then you would hit Buffalo



and the Ells River. They are not big streams because they come out of the Birch Mountains.

COMMISSIONER THOMPSON: You would touch the Birch Mountains to the east?

MR. PEDEN: Yes.

COMMISSIONER THOMPSON: What about Eagle Nest Lake. Which side of that would you go?

MR. PEDEN: I haven't been in these lakes. My work has been in this way, about twenty to thirty-five miles from the river.

COMMISSIONER THOMPSON: This is not farming country; this is strictly timber.

MR. PEDEN: There will be farming country there. I can't understand this year that there was no farming north of here. I can take you down to the river valley; I can show you as good a clover patch as is grown in Alberta. I don't think anybody planted it. There are placed up in here I can show you Alfalfa that is good --.

COMMISSIONER GAINER: Is that in the vallies?

MR. PEDEN: That is in the vallies and it is up in the hills. It is very flat once you leave the river valley and go back. There is agricultural land there. You will see all kinds of berries and one thing and another and especially up in here. I think that will farm some day. I know they are farming a lot worse in southern Alberta.

COMMISSIONER GAINER: Did you say you had



been through all that?

MR. PEDEN: I have worked pretty well from McMurray up into here. I have found the swamps shallow. There is not a lot of work to clean them out and there is good soil underneath. You will get sand ridges, you will hit sandy ridges and you will hit stretches of -- I would say it would be good agricultural soil.

COMMISSIONER THOMPSON: You have been in there in the summer, have you?

MR. PEDEN: Yes I have been up through here.

COMMISSIONER THOMPSON: How about when you came near Lake Claire?

MR. PEDEN: I have not been up that way. I can't say.

COMMISSIONER THOMPSON: You have the Birch River to cross?

MR. PEDEN: Yes.

THE CHAIRMAN: Mr. Peden, we are having a transcription made of everything that is said. You refer to being "up here". I wonder if you would mind making a mark to indicate where "here" is. You referred to "here". Would you mind putting a "X" where this is.

MR. DUNCAN: This is Buffalo up here. There is horse land out there in the winter time.

THE CHAIRMAN: Wild horses?

MR. DUNCAN: Wild -- I don't know. They



are out there. There is Elk River and this is good ranging country in there.

COMMISSIONER THOMPSON: How deep are the banks of the rivers as you go towards the river?

MR. PEDEN: You will find real sharp coulees I imagine one hundred and fifty some two hundred feet at the river but you can go in here before you get to the range of hills and there I would say there is nothing right around here, I can tell you, maybe fifty, twenty, ten and then when you come up it is flat country there. The drainage in that country, if you let the water off it you haven't got a swamp. It is just the country was flat. The water has soaked through this vegetation that is lying on top and that is what is causing the swamps. When you ditch one of these swamps -- the water is ditched off in a few days and they are dried up. You will find it is flat country.

COMMISSIONER THOMPSON: What were you ditching for?

MR. PEDEN: We were making a road. We were going out in here to Tar River.

THE CHAIRMAN: Would you mind drawing a line there, Mr. Peden, in the area with which you are personally familiar.

MR. PEDEN: Right here.

THE CHAIRMAN: Starting from McMurray. Take the start from McMurray.



MR. PEDEN: I have been out here to this tower; go by the tower a little piece and then you go up in here, along here. That is pretty close to it.

COMMISSIONER THOMPSON: Have you been up there with a cat?

MR. PEDEN: You can drive up there with the car, Tar River. That is where we went along Tar River.

COMMISSIONER THOMPSON: And then some of this is coming off Birch Mountains here.

MR. PEDEN: Yes. There is a road going in there here. Actually this here is a better place for a road. I don't know much about railroads but I do about highways. It is better than going north at Grimshaw. You have some -- you have an awful lot of creeks to cross. You are running against the country if you get too far along this way.

THE CHAIRMAN: Where is Mildred Lake on this map?

(Mr. Peden indicates)

THE CHAIRMAN: Suppose we mark "M.L." there. I thought that perhaps Mr. Duncan was suggesting the proposed railway will go right past the Mildred Lake plant of Royalite. You have drawn the proposed route some distance from there.

MR. PEDEN: Well, you can go in this way. There is one road comes right up here and then you go in over; probably have to cross these creeks,



very steep banks and very narrow.

COMMISSIONER THOMPSON: It would mean bridging?

THE CHAIRMAN: Your proposal would be that it would be better to have a spur line from where you have drawn the route over ^{to} the Royalite plan than to have a railroad come up to the Royalite plan.

MR. PEDEN: You can go up this way. I am coming to what I figure would be the best road, but you can go up here and then go west. I put a road up there last winter from Mildred Lake straight west for twenty-two miles.

There is one lake at Buffalo to cross. It has got banks about ten feet high. That is going straight west from Mildred Lake.

THE CHAIRMAN: So you would think it feasible to build a railroad from McMurray to Mildred Lake and then go west in order to find a favourable spot to cross.

MR. PEDEN: Here is McMurray. The river flows in a north-westly direction. I mean to build from Mildred Lake here, in my opinion.

THE CHAIRMAN: How far are you in your road here from Mildred Lake? It seems to me it is about fifteen or twenty miles.

COMMISSIONER THOMPSON: These are six miles. Three townships would be about eighteen miles back.

MR. PEDEN: But you can come up here. There



is a road up along the river. There is another road that comes along the MacKay River in there.

THE CHAIRMAN: Would you mind showing us where you think the railroad should go conveniently which would touch the Royalite Plant.

MR. PEDEN: Yes. You have go up on top of the hills here. This is a valley and you get back about three miles from the river and you wouldn't hit any coulees or small creeks possibly till you got up in here.

COMMISSIONER THOMPSON: Which side of the river is the Royalite plant on?

MR. PEDEN: It is on the west side.

THE CHAIRMAN: Would you mind putting an X where that plant is?

MR. PEDEN: The plant is just above this river, right in here.

THE CHAIRMAN: Right where the "M" is.

MR. PEDEN: A steep bank river comes down the east side on the Athabasca and your plant is just down stream about half a mile.

COMMISSIONER THOMPSON: On the other side, the west side.

MR. PEDEN: Yes. There could be a road up there.

THE CHAIRMAN: Suppose you put a wavy line just where you think it might be. Now, do you feel, Mr. Paden, that it would be advisable or necessary to build a railroad some distance west from there in order to get over to this river -- what river is



that?

MR. PEDEN: That is the Buffalo and Ells and then there is the Tye. If you go back from the river banks, the banks of these creeks are not near as deep.

THE CHAIRMAN: So in order to get over the MacKay River you feel that a railroad should double back west?

MR. PEDEN: Yes.

THE CHAIRMAN: Then the railway should go almost straight west or even a little south-west.

MR. PEDEN: No, I wouldn't say it would go south-west. You go straight west and you get a good crossing.

THE CHAIRMAN: You go straight west and you get a good crossing.

MR. PEDEN: Yes. I don't know too much about the railroad but I do know that there is a good crossing there, yes.

COMMISSIONER THOMPSON: Just what advantage would there be putting the railroad down here? Can't they deliver their stuff up here?

MR. PEDEN: I don't know much about ---.

COMMISSIONER THOMPSON: It seems to me there is no point shoving the railroad to the other side of the river for say twenty or thirty miles if you can just as easily float it up and load it here? Have you any plan to build a railroad there or would you float it up water? There is a road there or is



that a fair question.

MR. PEDEN: It is not a fair question. The trouble is we have this barrier on the river. There are only two months of the year you can get across there. You cannot service the plant up north here or anything else unless you get transportation into this country because you cannot go in here in the wintertime. This river freezes up in January. You have to go down in January for any operation and be back off the ice by the 20th of March. In this country at Pine Point here we are tied up in about another month and a half. We are tied here. Here is the Claire. The water comes in here. Here is the Athabasca comes in here. We have transportation to McMurray north or from the south to McMurray. In the Spring breakup this ice isn't safe to travel on for six weeks or two months the same as in the freeze-up. Your operation is cut off further north.

You have the Athabasca River blocking you so far as the west is concerned and the Claire --

THE CHAIRMAN: You mentioned the Athabasca blocking you so far as the west is concerned.

MR. PEDEN: Yes. It is not safe to cross it. You cannot afford to cross over. You have to build bridges or something. You have to wait till the ice is thick. You have to have about sixteen inches of ice to take a load on the Athabasca River



so a road is needed -- a railroad is needed to put the north into production on a yearly basis not just for six months. You cannot go up in here and do any work unless it is seasonal.

When the barges start on the river, probably the first of May, they are taking that in until September sometime so if there was a railroad built up in there you could work the year round. It would be much better.

COMMISSIONER THOMPSON: Then what do you do about the Northern supplies? If you put a railroad up to Pine Point what about the north how have you opened it up; by putting a railroad right through the coast or are you thinking as far north as Great Slave.

MR. PEDEN: No, I am figuring right into the territories.

COMMISSIONER THOMPSON: What do you do when you get to the south shore of Great Slave Lake? What do you do from there on? I just want to get the background.

MR. PEDEN: The Mackenzie Highway went to the south shore of Great Slave Lake but that is a number of years ago. If the railroad got to Smith probably they could go around Great Slave Lake to the east, north up to the Arctic. I think they would build the railway that way, sir. This is a barrier for this country to develop north. I



understand that at Chipewyan they took a prize for wheat one year, 1911.

COMMISSIONER THOMPSON: I know Chipewyan asked for a railway in 1898. They asked long ahead of you.

MR. PEDEN: I think so. Certainly the Peace River is not all solid agricultural. There are still a few sand holes that have not been broken up, a lot of bush country and a lot of muskag.

COMMISSIONER GAINER: Is there a road coming down from Smith or going out to Fort Smith from Peace Point scheduled?

MR. PEDEN: They are working on that through Wood Buffalo Park, sir. They have been working on that road.

COMMISSIONER GAINER: That is a north-south road not an east-west road.

MR. PEDEN: From Fort Smith to Peace Point. It is a pretty well all-weather road, I believe.

THE CHAIRMAN: I would like to ask you a few more questions Mr. Peden. When was the wheat prize won in Fort Chipewyan?

MR. PEDEN: 1911, World's Wheat Championship 1911 grown by the Roman Catholic Mission.

THE CHAIRMAN: Do they grow much wheat up there?

MR. PEDEN: No, this was wheat they grew in



their fields. In 1911 there was very little agriculture north of Edmonton.

THE CHAIRMAN: The Roman Catholic Mission.

MR. PEDEN: Yes.

THE CHAIRMAN: Grew wheat in 1911?

MR. PEDEN: They took the World Wheat Championship in 1911, Athabasca Landing. It was claimed they never would have any wheat. That would never be wheat country but it took the championship. It was bush country. It was worse bush then than it is to-day. It is one hundred and sixty miles south of here. They claimed that would never become agricultural country. This country here had never become agriculture because we have had no transportation into it.

THE CHAIRMAN: While we are on the subject of agriculture, is there any other help any of you can give us as to the agricultural prospects in this area?

MR. PEDEN: This was covered by the University of Alberta Research Department. I think they have made some very small slight soil examinations between points slightly south of here about they didn't go very far with it for the simple reason they were not interested in agriculture except where the railway was situated.

They claimed there was no use opening up any more agricultural experiments until they had



transportation. That is one of the reasons we urge to-day we get transportation in order to open up. Without a railroad we cannot open up.

THE CHAIRMAN: On a purely factual situation, can you tell us anything about soil conditions and weather conditions or anything else as to the agricultural possibilities if there was transportation?

MR. PEDEN: Due to the fact known vegetables grow as well here and faster than they do in southern portions of the province, yes.

THE CHAIRMAN: When you say "here" do you mean right in this area?

MR. PEDEN: In this area between here and Fort Simpson.

THE CHAIRMAN: Vegetables grow well in McMurray.

MR. W. HILL: Very very well indeed.

THE CHAIRMAN: What about north of McMurray?

MR. PEDEN: At Fort Good Hope Bill Clinton in the Arctic often grew lettuce, cabbages and other root vegetables. T.G. Browning, who had some land sixty-five miles below Simpson, grew some of the finest Alfalfa and Clover. Browning is a member of the Northwest Territory's Council -- not Browning, one of his partners. He has that information in detail.

THE CHAIRMAN: This is Mr. Browning?



MR. PEDEN: Mr. Browning or his partner, Frank Goodall.

THE CHAIRMAN: Mr. Browning's partner grows vegetable at Simpson?

MR. PEDEN: His associate or neighbour has been farming that country for twenty years.

THE CHAIRMAN: Mr. Frank Goodall of Simpson.

MR. PEDEN: He is in the Northwest Territory's Council. They have an experimental farm there.

THE CHAIRMAN: Now, what about the area between here and say Fort Smith. Are there any vegetables grown there?

MR. W. HILL: All over the place, wherever there is a garden, it will grow anything.

FEMALE SPECTATOR: Since 1778.

THE CHAIRMAN: They have been grown frequently?

MR. HILL: It has been growing all the time, sir. There has been very little development over the river for the simple reason there is no transportation above the river. Wherever the gardens have been placed between here and Fort Simpson vegetables grow in profusion.

THE CHAIRMAN: Would it be possible for you to give us a memorandum and so identify to what extent we are concerned with it?

MR. HILL: This information is also in the Archives at Ottawa and has been for over thirty years to my knowledge.



THE CHAIRMAN: The Archives are a long way from here. We are not going down there. I am wondering if there is anybody who can give us any further information.

FEMALE SPECTATOR: I know we tried growing potatoes here in the north. We grew good potatoes. They froze on the barge so we just quit shipping them.

MR. PEDEN: At Embro Airport across the river in Wood Buffalo Park there was flooded gardens and they even grew rice patties.

THE CHAIRMAN: Across the river?

MR. PEDEN: From Embro Airport in the Wood Buffalo Park they even have rice patties and they will grow standard gardens.

THE CHAIRMAN: Across the river from Embro Airport there are good gardens.

MR. PEDEN: Good gardens.

THE CHAIRMAN: What is grown in those gar_dens?

MR. PEDEN: They have grown potatoes, peas, beets, beans and any of the other ordinary garden varieties.

COMMISSIONER THOMPSON: Except corn. You can't grow corn.

MR. PEDEN: They have tried corn and somebody says corn will ripen in that area.

THE CHAIRMAN: Corn has ripened in some



areas?

MR. PEDEN: In some areas.

COMMISSIONER THOMPSON: What about flax.

MR. PEDEN: Well, I don't think that has been tried.

THE CHAIRMAN: Who has done this?

MR. PEDEN: That was done in conjunction with the federal government. There was a trapper there by the name of Sacoy. He grew rice there for feeding the muskrats. It was an experimental station. He was working for the federal government at Fort Smith. He even grew rice in rice patties to feed the muskrats to try to increase the muskrat population for the fur trade.

THE CHAIRMAN: Thank you very much. I would like to ask you a little more, Mr. Peden, about the problem to which you referred in connection with the difficulties of going north and west. The Royalite plant is on the west side of the river.

MR. PEDEN: That is right.

THE CHAIRMAN: There is work being done also on the east side of the river.

MR. PEDEN: Yes. This year right now there is an outfit on the east side of the river.

THE CHAIRMAN: Is there a plant in operation there now?

MR. PEDEN: No. It is just experimentation



work, I understand. I don't know too much about 48
it but Shell Oil was in here with about thirty-eight
men. At the present time they are working an oil
lease.

THE CHAIRMAN: The plant that was built
at the oil sands by the Alberta Government is on
the east side of the river.

MR. PEDEN: That is right.

THE CHAIRMAN: How far is that?

MR. PEDEN: That is about fifty-eight miles
down stream.

THE CHAIRMAN: A little further down stream
than Mildred Lake?

MR. PEDEN: Yes. Mildred Lake is about
twenty-four or twenty-five miles.

THE CHAIRMAN: On the maps we have been shown
it appears to me as though there was more of
the oil sands on the east side than on the west
side. Is that right?

MR. PEDEN: I don't know. I am not a
geologist. I just put the roads through. I couldn't
answer that question.

THE CHAIRMAN: If there was a bridge across
the Athabasca River here now would there be any
problem about servicing the Royalite Plant without
a railroad, by truck?

MR. PEDEN: Yes, you could service it by
truck.

THE CHAIRMAN: You could service it by
truck?



MR. PEDEN: Actually I don't think that at the present time without any railroad they could service it by truck. Maybe in the spring they will need one. All this stuff will have to -- if they go ahead with this plant it will probably increase maybe ten times its normal size and all this heavy equipment will have to go in. I can't see that a highway would benefit that any more than a railroad. I would like to see a highway go in myself.

THE CHAIRMAN: You wouldn't think a highway would benefit them actually. May I ask you this: would the railroad benefit them any more than the highway would?

MR. PEDEN: I think it would.

THE CHAIRMAN: Why do you say that?

MR. PEDEN: Well, if you were trying to bring a truck out here, you would get oil out of the truck on to tankers and then it would be taken to where it was to be used, probably Edmonton. If you had a railroad there you could reach the tankers.

THE CHAIRMAN: Right at the site there would be no trans-shipment necessary.

MR. PEDEN: That is my opinion. I am not in the transportation business.

THE CHAIRMAN: But you know the countryside.

MR. PEDEN: Yes.



THE CHAIRMAN: What assistance would you get from a bridge across the Clair water.

MR. PEDEN: Just as much as you would across the Athabasca because you can cross the Claire. Where you are on the east side of the Athabasca there is no way across the Athabasca unless by ice bridge or by Portage.

THE CHAIRMAN: If you cross the Athabasca here to the west side and you want to go on the east side, it is the same thing.

MR. PEDEN: There was a barrier right here. To go on the east side of the Athabasca you have the Claire water and to go on the west side of the Athabasca, you have the Athabasca.

THE CHAIRMAN: Bridging the Athabasca is a big problem, of course, isn't it? What would bridging the Claire water be like?

MR. PEDEN: I am not a bridge man. I can't tell you that. I can't see where there is too much trouble to bridging either way.

THE CHAIRMAN: It is just the Claire water is a smaller river.

MR. PEDEN: Yes.

THE CHAIRMAN: And shallower, I suppose?

MR. PEDEN: Well, no. It is deep enough for barges to go down.

SPECTATOR: Mr. Chairman, I have some information. Mr. Hay of Cities Services was held



up in Edmonton. He flew directly down to Mildred Lake. He said he would like to see the Commission down at Mildred Lake and he is there now. If you are going to make the trip down to Mildred Lake, he is there now.

THE CHAIRMAN: Our sittings are scheduled here. We will have to finish these sittings.

SPECTATOR: That was for your information.

THE CHAIRMAN: If we can go, we would like to very much.

Are there any other questions anyone would like to put?

Well, thank you, Mr. Peden you have given us a lot of very interesting information.

Are there any other witnesses, Mr. Duncan, that you care to call?

MR. DUNCAN: Not unless they would like to volunteer. There are some people in the audience who probably know as much about the territory as anybody. Speaking of bridges, we have asked for a combination bridge, if it is to go over the Athabasca. The highway and railroad would have a combination bridge put across up to Peace Point, if it gets that far.

THE CHAIRMAN: Any other comments or statements anybody would like to give to us.

FEMALE SPECTATOR: There has been no mention of air freight in here. I think this railway



would take care of a lot of perishables and light expensive freight that is now being flown in at twelve cents a pound. I think the railroad traffic would leave the Portage traffic alone, that is heavy bulk freight but the air traffic is expensive.

THE CHAIRMAN: You mean vegetables?

FEMALE SPECTATOR: Yes and these smaller perishables. At least they could be handled on the railway.

COMMISSIONER GAINER: Are you speaking of traffic to Lake Athabasca?

FEMALE SPECTATOR: Lake Athabasca, Fort Smith, Yellowknife, all those places. In the winter time all the green stuff is flown in.

COMMISSIONER GAINER: The railroad would not go that far, in any event.

FEMALE SPECTATOR: It would make a good start. If some came by railroad and by Hay River and by truck I think in the dead season it wouldn't be as perishable as in any other season.

THE CHAIRMAN: It would reduce the price.

FEMALE SPECTATOR: I believe so.

COMMISSIONER THOMPSON: Pardon me. Did you say the railway will reduce the price?

FEMALE SPECTATOR: It would reduce the price of winter perishables.

COMMISSIONER THOMPSON: We have found it cheaper to fly them in than to truck them in.

FEMALE SPECTATOR: Yes, but trucking isn't



cheap anyway.

COMMISSIONER THOMPSON: The railroad here isn't too cheap either.

FEMALE SPECTATOR: Yes. We believe it would be cheaper when it is going north.

COMMISSIONER THOMPSON: When you are going north, that will reduce the price from here out.

FEMALE SPECTATOR: Yes.

COMMISSIONER THOMPSON: Have you any assurance of that?

FEMALE SPECTATOR: None whatsoever.

COMMISSIONER THOMPSON: I just wanted to know.

FEMALE SPECTATOR: At one time potatoes in Uranium City were \$25.00 a bag in the winter when they were flying them in.

COMMISSIONER THOMPSON: That must be poor organization. They should have got them in cheaper than that.

FEMALE SPECTATOR: When we tried it, they told us --.

COMMISSIONER THOMPSON: We don't pay that for them in Yellowknife. Don't they have reefer barges?

FEMALE SPECTATOR: I think the railway would take care of a lot of stuff that is being flown in.



THE CHAIRMAN: Is there anything else anyone has to say?

— Just before we adjourn I would like to emphasize this. I think Mr. Duncan is aware of the fact there were two gentlemen here who are advocating the proposed westerly route. I would like to emphasize this to you: that we are going to Peace River next Tuesday and Wednesday. The hearings will be public there, just as public as this has been here. If any of you wish to be there to hear what is said you will be very welcome and the Commission Counsel will be there and will be only too glad to see what line of questions you would like to proceed on from the point of view of opposition that you will be taking. He has been here this morning and has been discussing questions with the advocates of the westerly route.

Our Commission is concerned to get all the facts that we can. We are just starting on the problem of looking into this. We are very anxious to get all the information that is available. We may get some that is irrelevant as we go along. We cannot tell.

Thank you very much.

SPECTATOR: May I say on the eastern route we have all the advantages propounded by the western route plus the added mineralization which they do not have.

THE CHAIRMAN: Thank you. We will adjourn



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now until September 8th at Peace River.

---The Commission Hearing adjourned at 12:20 P.M.

ROYAL COMMISSION
ON
GREAT SLAVE LAKE RAILWAY

HEARINGS

HELD AT

PEACE RIVER

VOLUME No.: 2

DATE:

SEPT. 8-9-59

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ANGUS, STONEHOUSE & CO. LTD.
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ROYAL COMMISSION
ON
GREAT SLAVE LAKE RAILWAY

Hearings of the Royal Commission
on The Great Slave Lake Railway
held at the Town of Peace River,
Alberta, at the Court House, on
8th and 9th days of September,
1959.

PRESENT:

Mr. M. E. Manning	- Chairman
Mr. Walter D. Gainer	- Member
Mr. John Anderson-Thompson	- Member

COMMISSION COUNSEL:

Mr. Francis M. Feehan	
Mr. A. Paterson	- Secretary



THE CHAIRMAN: We have been in the habit of introducing ourselves on our sessions but I think you all know who all of us are so we will dispense with that. I am going to ask Mr. Paterson, our Secretary, to read the Order-in-Council.

MR. PATERSON: "P.C. 1959-705 - Certified to be a true copy of a Minute of a Meeting of the Committee of the Privy Council, approved by His Excellency the Governor General on the 4th June, 1959.

The Committee of the Privy Council, on the recommendation of the Right Honourable John George Diefenbaker, the Prime Minister, advise that

Marshall E. Manning, Edmonton, Alberta

Walter D. Gainer, Edmonton, Alberta

John Anderson-Thompson, Yellowknife,
Northwest Territories

be appointed Commissioners under Part I of the Inquiries Act to inquire into and report upon the respective merits of the alternative routes which might be followed by a railway line to be built from northern Alberta into the southern portion of the District of Mackenzie, Northwest Territories, for the purpose of providing access to and contributing to the development of that portion of the Territories tributary to Great Slave Lake.

The Committee further advise:



1. That the Commissioners be authorized to exercise all the powers conferred upon them by section 11 of the Inquiries Act;
2. That the Commissioners adopt such procedure and methods as they may from time to time deem expedient for the proper conduct of the inquiry and sit at such times and at such places as they may decide from time to time;
3. That the Commissioners be authorized to engage the services of such counsel, staff and technical advisers as they may require at rates of remuneration and reimbursement approved by the Treasury Board;
4. That the Commissioners report to the Governor in Council with all reasonable despatch; and
5. That Marshall E. Manning be Chairman of the Commission.

R. B. Bryce,
Clerk of the Privy Council."

THE CHAIRMAN: Now, we have scheduled for this morning three briefs: the City of Dawson Creek and the Chamber of Commerce which I think is one. Is that right?

MR. FORSYTH: Yes.

THE CHAIRMAN: And the brief of the Farmers' Union of Alberta, District number 1, and the brief of the Golden Meadow Farmers' Union of Alberta, Local 215.

Mr. Fouks, who represents the Government of British Columbia, has asked us to withhold our



proceedings as long as possible, or until he gets here, if possible. If there is no objection I mean to adjourn now until a quarter to eleven so that it will give Mr. Fouks a chance to get here. He is coming in on the plane from Edmonton and he is very anxious to be here during the time of the brief. At that time we will ask Mr. Forsyth to read his brief. I understand the plane is fifteen minutes late so we will adjourn until eleven o'clock.

--- Adjourned.

--- Resumed at 11.10 a.m.

THE CHAIRMAN: Mr. Forsyth, are you ready to give us your brief?

MR. FORSYTH: Yes, sir.

Submission

re

GREAT SLAVE LAKE RAILWAY - CITY OF DAWSON CREEK

and

DAWSON CREEK CHAMBER OF COMMERCE

PRESENT:

Mr. R. A. Forsyth

THE CHAIRMAN: Could I suggest you come to the witness stand? I think it will be easier for Mrs. Chapman to take down all you are saying.



You are speaking for the City of Dawson Creek, of which you are the Mayor.

MR. FORSYTH: That is correct.

THE CHAIRMAN: And the Chamber of Commerce.

MR. FORSYTH: That is correct.

Mr. Chairman, and Members of the Commission, as you have stated I am speaking for the City of Dawson Creek and the Chamber of Commerce. In our brief we have included at the back a list of several bodies, which includes the Chamber of Commerce, and also the British Columbia Chamber of Commerce. These are the bodies who have indicated that they are in support of our brief. Some of them will, on their own behalf, make statements to you. I believe the British Columbia Chamber of Commerce will make a submission in Edmonton, as I understand it.

I would like to thank you for the opportunity of hearing our contentions. I realize there has been some controversy over the terms of reference, which were read at the meeting which was called to order at ten o'clock. We appreciate being included and given an opportunity to voice our opinions.

We think that Mr. Baldwin has mentioned within his brief and we would like to draw your attention to the fact that he has included our area of the Peace River country in the area concerned. Geographically there is no question, or economically there is no question, that the Peace River area of



British Columbia is tied to Alberta. The political accident that joins us to British Columbia is something with which we have to contend most of the time. We would like to thank Mr. Baldwin for including us in Alberta for these purposes. We would also like to thank him for pointing out, as he does on pages 16 and 17 of his brief, the geographical centre of the Peace River area. I think he says it runs on a line 40 miles west of Grimshaw. We would like to move that line a little farther west. To some extent this scale for the Peace River area does come into our argument. We think, first of all, that part of the area of Alberta for the purposes of this study and the centre of the area would lie somewhere west of Grimshaw and more in line with Dawson Creek.

Many people have questioned our sincerity in presenting our brief, questioned not our sincerity but our hopes in having any attention paid to our contentions. We are rather alarmed at this because we are quite serious in our contentions. We think that the necessity of the Commission was brought about due to the controversy over the southern terminus and not so much over the point at which Railway arrives in the north. Although we have not expressed this in our brief we feel that the points that are established, even in the north, such as Hay River, should be considered because of the fact they have been established and there are people there who have spent time and effort on developing something in the north and any



services that are now being considered should be directed towards amplifying these past efforts.

We think also, for the same reason, the City of Dawson Creek and the Province of British Columbia, to the extent they have built the Pacific Great Eastern Railway, should be considered primarily because the transportation service depends entirely on the number of connections. We think that the railway itself must be built to develop the northern parts of Canada and not necessarily the Peace River country or any community in the Peace River country. If it is being built to develop Northern Canada then those areas of Canada should have the opportunity both to market their products in the widest possible area and to buy their products from the widest possible area in order to gain the competitive force always desirable in business.

I think this is the crux of our brief and with your permission, Mr. Chairman, I did not intend to read the brief but I will read it if you would like me to. I had intended to leave what we stated in the brief stand for itself and emphasize those few points: mainly, the broadest possible competition in supplying Northern developments should be brought into force and the widest possible market and most existing facilities made use of. We think we have a social and economic plant in the City of Dawson Creek not equalled anywhere in the



Northern area. We would like to put these to use for our own benefit and for the benefit of Northern Canada. Many of the business people in Dawson Creek are closely connected with the Northern areas, due to the very fact our whole growth has developed from the various things which have taken place in the north, starting with the Alaska Highway and other developments of that nature.

We might remark that the potential development of the Peace River Canyon is, of course, more closely connected to us than any other community in the north. With the railways that are established it is a natural point to make use of the transportation facilities, join them both together, provide the most usefulness to any northern development.

Just recently it has been mentioned in the paper there is again a renewed interest in the construction of a railway to Alaska at the Rocky Mountain Trench and we think, if this comes to pass, that any other railway in this area to the north should connect somehow or other to the proposed Alaska Railway for the better development of the north. We think however, and in this we are in controversy with the British Columbia Government, we do not think it is possible economically to justify a third railway into the north as has been suggested by extending the Pacific Great Eastern to Fort Simpson. We looked at Northern development as a matter of tapping a wider system in the north. At whatever point it is tapped certainly



it will suffice for a long time.

Now unless you would like me to read the brief - -

THE CHAIRMAN: We would be glad to have you read it so we will have our memories refreshed on it and so others who are here will be sure to hear it.

MR. FORSYTH: Would you like me to read the letter of transmittal also?

THE CHAIRMAN: Yes, I think you can read that and the brief itself.

MR. FORSYTH: "The City of Dawson Creek, Dawson Creek, British Columbia - Letter of Transmittal - August 6th, 1959. The Chairman and Members, Royal Commission on the Great Slave Lake Railway, 111 Commercial Building, Edmonton, Alberta. Gentlemen: The Corporation of the City of Dawson Creek presents herewith, on behalf of many organizations in this area, what we believe to be a comprehensive review of the pertinent information relative to the construction of a railway from Great Slave Lake to Dawson Creek, British Columbia.

It has been our endeavour to review the many factors which led to this City becoming the natural service centre for the whole northern area and to relate the existing development here to the planned development of the North.

We sincerely believe that a project of



this magnitude must be developed to be of the utmost possible benefit to all of the people of Canada, and in such a fashion as to be readily integrated with the general economy of Canada.

Anything that this City and its people can do to enhance northern development will be undertaken willingly and cheerfully, since this project serves to underscore the long-held belief of our residents that the Northland has a vital role in the future of Canada.

May I, on behalf of the people of Dawson Creek, thank you for accepting this submission, and offer our sincere wishes for a successful conclusion to your deliberations in the important task committed to you.

Respectfully submitted, Mayor."

"IT IS HEREBY SUBMITTED THAT:

1. The extension of the Northern Alberta Railways System to Great Slave Lake is for the sole purpose of connecting the developed regions of Canada to the northern regions of Canada for the express purpose of northern development of natural resources and for the general purpose of Canadian development.
2. A northern terminus of the proposed extension must be located on the inland water systems connected to Great Slave Lake and the Mackenzie River. Such a northern terminus could, of course, vary in location from as far west as Fort Simpson to



as far east as Resolution, but the selection of a location near Hay River - Pine Point does offer the advantage of a midway point from which to serve by barge all of the points in the Northwest Territories adjacent to water. Hence, it will be a good many years before a second railway into the Northwest Territories can be justified.

3. The southern connections to any railway which services the Northwest Territories are of paramount importance. Access to world markets, competitive and varied sources of supply, are essential to development of northern resources.

4. Consideration of the existing facilities in the Peace River Area, in Alberta and in British Columbia and the part they can play in northern development should take a high priority.

5. Northern development depends primarily on people and organization following services.

6. Bases are necessary to serve people and to serve development. Social Plant is surely an important factor in the attraction of human beings to perform the tasks of development.

7. It is evidence, therefore, that the major centres and facilities in the Peace River Area should be employed in the task of northern development as well as being given the opportunity to supply from existing produce the potential market.



8. A Southern terminus of a Great Slave Lake Railway should connect to as many highways and railways as possible. No one route or connection should be given a monopoly. The measure of a transportation system is primarily gauged by its connections and interchange arrangements.
9. The only point in the Peace River Area at which connections by highway and two railways can be gained, is the City of Dawson Creek, B.C.
10. From the City of Dawson Creek the Pacific Great Eastern Railway connects to the port of Vancouver in 720 rail miles.
11. From the City of Dawson Creek, the Pacific Great Eastern Railway also connects at Prince George, B.C. to the Canadian National Railway which connects to the port of Prince Rupert, a total rail mileage of just over 700 miles. Thus connections to world markets are available through this port.
12. From the City of Dawson Creek the Northern Alberta Railways connects at Edmonton, Alberta, to the trans-continental railways. Mileage via Grande Prairie is 496 - - by construction of an extension from Spirit River, Alberta, some 80 miles can be cut off this distance. Around 60 miles of extension would connect the proposed Great Slave Lake route to Spirit River, Alberta. This was the original Northern Alberta Railways route, and should be connected to make the



Northern Alberta Railways more competitive with the Pacific Great Eastern Railway.

13. From the City of Dawson Creek connections by Highway are excellent to Alaska, to Vancouver, and to Edmonton.

14. Thus, to gain all the advantages of a southern terminus so provided by the City of Dawson Creek, it will be necessary simply to swing the Great Slave Lake Railway up the Chinchaga River from a point near Keg River to reach the Alberta - British Columbia border and follow down to Boundary Lake, to Cherry Point, Alberta, and up the Pouce Coupe River to Dawson Creek. The difference in distance from Pine Point to Dawson Creek over Pine Point to Grimshaw is estimated to be not over 50 miles - a small distance to provide all the connections.

15. In addition, the choice of routing south of Keg River to Dawson Creek makes it possible to serve the vast oil and gas fields proven in this area and to open up the Clear Hills Iron Ore deposits while giving a rail connection to Cherry Point, Emeka River, both in Alberta, and to Clayhurst and Rolla, both in British Columbia, large farming areas already developed.

16. The problem of a bridge is created at or near Cherry Point, Alberta. Such a bridge should be jointly financed by the Governments of British



Columbia and Alberta, as well as the railway, because of the urgent necessity for a bridge at this point in any event. The large revenues available to the Provinces from oil leases would well provide the necessary funds.

IN CONCLUSION - The City of Dawson Creek believes that the choice of a southern terminus at Dawson Creek, not only provides the best terminus and facilities but provides a compromise in the struggle for position which has created the necessity for your Commission. Both the Provinces of Alberta and British Columbia would benefit. The Northwest Territories and northern development would benefit. The Transcontinental Railways would benefit, the Pacific Great Eastern Railway would benefit.

The solution presented by the City of Dawson Creek has received the support of the following bodies:

The City of Prince George, British Columbia.

The Associated Boards of Trade & Chambers
of Commerce of Northern British Columbia.

The Community of Chetwynd, British Columbia.

All of the Cities along the Canadian National
Railway from Prince George, B.C. to Prince
Rupert, B.C.

Williams Lake, B.C.

Quesnel, B.C.

The British Columbia Chamber of Commerce.

The Dawson Creek Chamber of Commerce



The Junior Chamber of Commerce of Dawson Creek.

The British Columbia Junior Chamber Annual Convention.

The Farmers Union of British Columbia.

While this City has refrained from organizing an aggressive political pressure group because we feel that the facts must outweigh the political pressure, we do want it recognized that the above named bodies do represent a formidable force.

DATED at Dawson Creek, British Columbia, this 5th day of August, A.D. 1959. R. A. Forsyth, Mayor."

MR. FORSYTH: That, sir, is our submission.

THE CHAIRMAN: Now we may have some questions.

MR. FEEHAN: In the event that there was to be a great quantity of ore shipped out from the Pine Point area, and in the event that your proposals were accepted, what would the route to be followed be to get the ore from Pine Point down to the smelter at Trail, for instance?

MR. FORSYTH: Well, to get to the smelter at Trail the route could be either out through Edmonton or through British Columbia and back out to Trail. In that connection I think at the moment the Trail plant is probably not operating to capacity and possibly could handle primarily the lead, zinc ores. In answer to



your question either one of the two routes could serve and would serve to connect to Trail. However, we hope and assume that somewhere in the north a smelter might be located and in addition to the deposits at Pine Point that are presently being mined, the deposits at Mayo and in the event that the Alaska Railway is ever constructed then, of course, you have the potential of the two deposits supplying one refinery, which could be quite an area due to the hydro potential and the transportation facilities provided. At the present time I believe the Mayo deposits go down to the coast and back out. They go back to Trail from Vancouver.

MR. FEEHAN: Suppose the British Columbia route were to be followed and ore shipments were to go to the west would you trace roughly the route the ore would have to follow to get to Trail through British Columbia?

MR. FORSYTH: Either map would be difficult to follow from Dawson Creek down to Prince George by the Pacific Great Eastern Railway, at that point you transfer back to the Canadian National and down into the Okanagan, and back out to Trail; or down the Pacific Great Eastern to Vancouver and back out the Canadian Pacific to Trail. There are several different ways in which cars could be interchanged to arrive



at Trail. The other route is Dawson Creek out to Edmonton. The same route it would travel from were the terminus at Grimshaw.

The one disadvantage is going back over the Trans-continental divide, which the railways complain about, the cost of transportation. From Dawson Creek versus from Grimshaw I think there would be very little difference if it were to go through Edmonton.

MR. FEEHAN: Would you not be able to tell us if there was any difference in mileage or ultimate cost?

MR. FORSYTH: No, I personally think there is little difference in mileage were it to go through Edmonton. I believe there would be some advantage in going through British Columbia because the grade over Prince George and thereon is not so heavy a grade. You are over the Trans-continental divide and the lowest pass is Pine Pass.

I think there is a tendency with some countries of the world wanting to process some of the ores themselves. Japan is interested in buying ore, not so much buying the manufactured product. This is a natural thing. We may have to face world conditions. Therefore it may be necessary, more necessary to simply sell our ore at Ocean-side and be in a position to market them



throughout the world.

MR. FEEHAN: One further question, or perhaps more, if this proposed railway were to proceed from somewhere on the south shore of Slave Lake direct to Dawson Creek it would involve the construction of a bridge over the Peace River.

MR. FORSYTH: Yes, that is mentioned in the brief.

MR. FEEHAN: Could you give us an estimate of the cost of that bridge?

MR. FORSYTH: Well, I understand the Dunvegan Bridge is somewhere between five and six million dollar effort. The Taylor Flats on the Peace River out of Dawson Creek is somewhere in the same neighbourhood in cost. I understand that at the site that could be used for the bridge near Cherry Point, Clayhurst, it is possible to build cheaper there due to the fact there is an island in the river. This may compensate for the additional cost in building a dual purpose bridge, rail and highway bridge. There may be additional costs, possibly not, for a wide span highway bridge, somewhere let us say in the neighbourhood of five to six million.

MR. FEEHAN: If my understanding is correct to add a joining link between Hines Creek and Dawson Creek would also involve construction of a similar bridge.



MR. FORSYTH: No.

MR. FEEHAN: Would you not have to cross the Peace River in an extension from Hines Creek?

MR. FORSYTH: Yes, from Hines Creek to Dawson Creek the route would be virtually the same. As far as we are concerned the railway coming south through Great Slave Lake and headed to Dawson Creek, if it could connect to Hines Creek it would be desirable. We think it is the natural thing to do. We have not mentioned it in the brief. We are simply dealing with the terminus.

MR. FEEHAN: If the link between Dawson Creek and the Alberta Northern were to take place between Dawson Creek and Spirit River it would not involve the construction of a bridge across the river.

MR. FORSYTH: If you construct a link from Dawson Creek - - no. It would mean from a point anywhere of the northern arm of the Northern Alberta Railway it would be necessary to go back out through McLennan and then straight west to Dawson Creek. This would be better than the present route going to Rycroft and Grande Prairie back up to Dawson Creek. It would still be farther.

MR. FEEHAN: Can you tell me how much farther it would be to have an extension built from Spirit River rather than Hines Creek?

MR. FORSYTH: From Hines Creek the overall



length of the railway from Great Slave Lake to Dawson Creek, as against Grimshaw, were it to pass and connect to Hines Creek, we estimate somewhere about 50 to 60 miles additional distance. It would be approximately the same mileage to extend the railway from Spirit River to Dawson Creek. It is 63 miles by highway and railway would be about 60.

MR. FEEHAN: I was wondering if you can answer this particular question: How much farther would it be to go from Dawson Creek to, say, Pine Point taking the south route through McLennan via Spirit River?

MR. FORSYTH: Via Spirit River to McLennan, back to Peace River and back to Grimshaw and Pine Point, I think would be about 125 miles farther than it would be to go direct.

MR. FEEHAN: What would be the particular effect on the City of Dawson Creek supposing the connection were made between Pine Point and Dawson Creek.

MR. FORSYTH: The effect on the City of Dawson Creek, the same as might be on the Town of Grimshaw, is debatable and it is questionable whether a transportation service running through a town is of particular benefit to that town. It is debatable and depends on the distribution services, whether shipments are made through or whether a base of operations is established some-



where in the north. We hope it will be necessary for some companies to establish more bases of operations in the north. I believe, regarding the north, that even though it is only three or four hundred miles away there is a psychological difference. It is quite a difference. People who are serving the northern area are then living in the north. They are more likely to appreciate the problem. We would hope that the terminus of this railway might become a distribution point and people would live there. We think we have a social plant and the base from which to further develop and offer a good place to live.

MR. FEEHAN: Would it be fair to say that in the event that the railways were constructed along the south shore of Great Slave Lake to Dawson Creek that the overall route from Great Slave Lake to Dawson Creek would be diminished by approximately one hundred and twenty to one hundred and twenty-five miles.

MR. FORSYTH: Yes.

MR. FEEHAN: At the same time the overall mileage between the Great Slave Lake and Central Alberta would be increased by approximately the same distance?

MR. FORSYTH: No, if the Hines Creek extension is connected it is questionable whether it would be -- there might be 25 to 30 miles



difference to Edmonton. You would still be able to swing through here and go to Edmonton.

MR. FEEHAN: Through Hines Creek?

MR. FORSYTH: Yes.

MR. FEEHAN: I see. Thanks very much.

THE CHAIRMAN: I was interested in what you had to say about the possibility of ore being sold to Japan. You are suggesting this, I gather, if ore is to be sold from Great Slave Lake area to Japan the westerly route for the railway is desirable.

MR. FORSYTH: Yes.

THE CHAIRMAN: Could you enlarge on that?

MR. FORSYTH: Not too much. I don't know, of course, that Japan are interested, say, in lead, zinc ores. I do know, I think we all know they are interested in iron ores and they have been producing iron ores. Japan was merely an illustration. I think there are other Asiatic countries that are interested in these metals of various kinds, whether lead, zinc, iron, or other ores that may come out of the north.

My main point is: I think we will have to face the fact those countries will want to process these things themselves. It would be nice if Canada could ship, as the United States has been able to, the manufactured product. This is one of the World's problems today. People just don't want to be



peons and use these things. They want to make them, develop skills. Japan has highly developed skills and therefore at the present time they definitely want to buy ore and process it. Whatever Asiatic country it might be, I think we will have the same natural tendency.

COMMISSIONER GAINER: Could I ask this: I am much interested in knowing more about the matter of connections, the argument that any railroad should provide as many new and diversified connections as possible. What I would like to know is this: Is it a fact that in connection with, let us say, the N.A.R. line, whether Grimshaw or even Waterways, will there not be certain advantages since the P.G.E. and the N.A.R. are connected? How important is it that the new railway connects directly with the Pacific Great Eastern, to use that as an example, or connect somewhere with the Northern Alberta Railway and then hence to the Pacific Great Eastern?

MR. FORSYTH: I think in World market the connection is very important. If you are dealing with local markets and processing your own materials for your own markets this question of price may not be quite as important. Now the distance of 200 miles to go around via Grande Prairie, an additional distance in ore at a cent and a half a ton mile, which is the figure the railways like to



talk about on any heavy commodity hauls, is still \$3.00 a ton. On a World market this might be quite important because there is competition from other countries and we are hauling ore a long distance out of the north. In local markets, were the product to go to Trail, it would be processed there and become a manufactured product. This is a different thing than, say, to ship ore in bulk. Then you have to get as low as possible.

COMMISSIONER GAINER: You are arguing mainly that you would have a shorter distance by locating at Dawson Creek. This is considerably important: aside from distance is it important that a new line connect at the terminus of the Pacific Great Eastern, for instance, or somewhere else along the Northern Alberta Railway? A shipper will always have the option to ship either Northern Alberta Railway or Pacific Great Eastern or Canadian Pacific, Canadian National east and south.

MR. FORSYTH: He will have the option, yes, although the route would run around the World but the service would not be as good. The north has a problem of service.

COMMISSIONER GAINER: Would you explain the question of service? Aside from distance could it not be assumed that the shipper would get as good service if using a connection with the Pacific



Great Eastern, a new line other than Dawson Creek.

MR. FORSYTH: Yes, I definitely believe he could not. Everytime there is an interchange there is a delay. Sometimes the delays are inexplicable but they exist as we all know in the movement of goods. I could not see the Northern Alberta Railway schedules, whether heavy freight implements or small freight shipments, LCL shipments, I could not see them being so organized as to, say, come up from the British Columbia coast. In the matter of inbound supplies from the north you want to purchase something at the best possible advantage. The shipper in Dawson Creek is an established fact. If you travel the Northern Alberta Railroad it would have to go to Grande Prairie and at some point would have to connect with the Northern Spur. The bigger the volumes grow the easier things are to handle. When volumes are small you cannot set a schedule to connect with small movements because those lines have to give local service as well as connecting service.

COMMISSIONER GAINER: The difficulties of service when a commodity is moved from one line to another, would that not occur at Dawson Creek regardless of where this thing was, even though it is the Northern Alberta Railway. It would have to be a trans-shipment from, let us say, the Pacific Great Eastern to another line.



MR. FORSYTH: Yes, it will have to be trans-shipped, made out to trains to move out supposing the railway line moved from Great Slave Lake. On the other hand, it would have to be done were it to go to Grande Prairie. It would have to be broken at Grande Prairie or McLennan, other points at which this occurs. I presume, if the southern terminus is Grimshaw, it would be organized at that point. The making up of trains and schedules to serve the north takes a great deal of time. I think it would be possible at Dawson Creek to have the Northern Alberta Railway have regular schedules operating with a certain amount of traffic, quite a lot of traffic. This, together with other traffic, will better the service from Edmonton to Dawson Creek. The same thing would occur with the Pacific Great Eastern Railways. At one point you have the physical operation of making up trains and schedules to move into the northern area you propose to serve.

COMMISSIONER GAINER: This is what I was interested in. Thank you.

MR. FEEHAN: Do you think, sir, there would be any appreciable difference in lumbering or in farming made by the route running either to Grimshaw or Dawson Creek.

MR. FORSYTH: No, I don't think so. I think it is very urgent that these areas from Fort Vermilion, Grimshaw, Hines Creek, Spirit



River, all of which are farm lands, I think it is very necessary they be served. I cannot see it would change the picture very much. In lumbering the same thing.

MR. BALDWIN: Mr. Chairman, I know our position is difficult in this. I wonder if Mr. Forsyth would be available in case there might be some questions I could discuss with Mr. Feehan.

THE CHAIRMAN: Will you be here after lunch?

MR. FORSYTH: Yes. I would like to get away, if possible, by three o'clock.

THE CHAIRMAN: Our next brief is the Farmers' Union of Alberta, District number 1, presented by Mr. McIntosh.

Submission by

FARMERS' UNION OF ALBERTA, DISTRICT NO. 1

PRESENT:

Mr. Kenneth McIntosh

Mr. Uri Powell

MR. MCINTOSH: Mr. Chairman and Members. Ours, of course, is a grass roots farm organization of which I happen to be District Secretary. We have not attempted to bring you any highly technical information. We do touch on a few aspects not in our field. We have attempted to bring some information, ordinary horse sense. With



your permission, sir, I will read our brief:

"District 1 of the Farmers' Union of Alberta, embracing 40 locals in the South Peace Area, and having a gross membership of 4000, is pleased to be able to present its views with respect to the Pine Point Railway question.

Conventions of our Union have consistantly supported the Grimshaw - to - Pine Point route as one which will give not only long overdue relief to those hardy pioneers who have developed a very substantial portion of that great expanse of arable land north of Grimshaw, but will greatly enhance the industrial potential of our area and so create a substantial local market for our agricultural production.

With an adequate local market a further swing to livestock production may be expected which is desirable for several reasons:

1. Grey soils require extensive use of legume crops, used for livestock feeds, and can provide economic production, fully utilizing farm labour.
2. Less wheat would eminate from this area.
3. Packing plants would create further employment. Further, a large and steady local market would provide the incentive for market gardening, dairying and all the associated processing, packing and handling.

We know that an estimated 20 million



acres of arable land await development on the western route and we believe that vastly more forest potential is there available, none of it within the National Park Area, and all requiring a railway for development. Further to this, our admittedly unscientific judgement leads us to believe that the shortest possible connection between the minerals of the north and the abundant power available from the upper reaches of the Peace River plus the large scale coal deposits such as at Hudson Hope, will be to the advantage of all Canada.

Our view on construction costs, again far from expert, is that the western route should be less costly, considering the terrain involved and the need of a far greater bridge program on the Waterways route - reported to be 10 million dollars. Since public funds will very probably enter into the financial arrangements, and since we carry our share as taxpayers, we believe authoritative advice should be provided before any decision is taken.

Another very important consideration is that the Waterways route will serve a very small resident population whereas the Grimshaw route will adequately serve approximately a 10 times larger population now resident.

Since the Grimshaw route will adequately serve this stable and vastly greater population,



will provide for great future agricultural expansion and yet provide outlets for mineral, industrial and forest development, our people consider that unquestionably the Grimshaw line should be chosen.

No doubt the members of the Commission are fully aware of the "cost - price" squeeze affecting farmers throughout any district in western Canada. Consider then, how much greater the squeeze must be for those who pay freight on all our long hauled consumer goods brought in and on farm produce shipped out, plus the high trucking charges to Grimshaw of up to 50 cents per bushel on grain and \$1.00 per hundred on livestock plus a proportionate trucking charge on everything going in. We feel that we, as a whole in the Peace River Country, have already paid dearly for an unnecessarily long freight haul - which was designed to serve people only secondarily, and we would feel badly indeed if people already long established in that northern area are to be turned down now and we would presume forevermore.

It may be argued that a Grimshaw rail route, opening great new farming areas, would only further increase the glut of farm produce on the market. We would point out that the Gordon Economic Commission have forecast great population growth for Canada, which alone may necessitate the development of all available acreage in say 25 to 30 years. Looking so far into the future may seem



unrealistic at this time but railways are of a very permanent nature and a decision based on short range economic considerations may well seriously hinder our future development. An eastern line could well leave a series of ghost towns should mines deplete or economic conditions deteriorate whereas a western line would be perpetuated.

Further to this aspect of the future, we believe it must be borne in mind that the world population is increasing at an astounding and accelerating rate. It may well be that the danger of being swamped by the zooming Eastern populations may yet force the discovery of some means of world - wide food distribution. Should this happen, then a means to develop those immense acreages must be found or these same Eastern people may choose to develop them for us.

In the meantime, we do not envisage any wholesale development bringing further surpluses because the average full operative farm is today hard put to stay financially solvent. When one considers that it is nearly always less costly to buy a farm than to carve one out of the bush, an unwarranted expansion is very unlikely. In any case the Provincial Government has the authority to curtail opening of new areas if such is deemed wise and necessary.



Our submission could be summed up by the following: - A Grimshaw - to - Pine Point Railway would -

1. Bring relief to many hard pressed pioneer farm families.
2. Would provide a stimulus to the industrial development of the whole Peace River area thereby creating a local market for a large proportion of our agricultural production.
3. Would provide the means of development of a huge new agricultural area should Canadian and, or, world population and conditions demand.
4. Need not create any undesirable surplus food production so long as prices maintain their present discouraging level and, or, a realistic government policy of development is maintained.

We of the F.U.A., urge that the humanitarian aspect receive full consideration, for we believe that optimistic people and the well being of agriculture are the most important and necessary assets that any country may possess."

COMMISSIONER GAINER: There is one small point I would like to raise, Mr. McIntosh. In your brief on the first page here you stress the benefit of increasing local market to absorb, say, agricultural production here and particularly along livestock production lines. What is the extent of the present limitation of livestock production in the whole of the Peace River area? Is this



effectually that of a market problem or partly the length of the winter?

MR. McINTOSH: No doubt the length of the winter does enter into the picture. We are seeing a great deal of swing towards further livestock. I think a lot of people are concerned with the surplus grain situation and that it will become the same thing with respect to livestock. We have seen it happen with respect to hogs. It will mean with a small proportion of beef increase that the same thing will happen. If it had not been for the American market we would have considerably less for beef.

COMMISSIONER GAINER: No particular costs reasons why livestock productions would not go ahead rapidly in this area if market outlets were to develop more rapidly?

MR. McINTOSH: There would be a further incentive all right if the price was sufficient to warrant it. Most farm people pick the easiest route out. It is easier to sit on a combine than feed cattle all winter. At the same time I do believe more are seeing a little further into the future and are so establishing their farm enterprises.

MR. FEEHAN: I wonder if you would tell us something about the produce, the actual type of grain and seed that do come out of this Peace



River area.

MR. MCINTOSH: Sir, are you speaking of what is presently served by the railroad or Grimshaw and north?

MR. FEEHAN: I am speaking of the northern area where the proposed railway might run.

MR. MCINTOSH: My understanding at the present time of that area - - I have not lived there - - is as far as grains are concerned it is mainly flax now because of the fact it is so costly to ship other grains. Flax and livestock is what their present source of income is. If they were available on a railroute I am sure we would see at least a large production in barley, which is early maturing and suitable for the northern areas. It is now flax, livestock, possibly clover seed, alfalfa.

MR. FEEHAN: A good deal of your report is concerned with the future expansion of population and increased birth rate. You would seem to indicate from this you are looking more to the future and not to the present. Would that be correct?

MR. MCINTOSH: In so far as further agricultural development, yes.

MR. FEEHAN: Would you say there is no immediate interest or need for the construction of a railway to produce those agricultural



crops?

MR. McINTOSH: Well no doubt there will be. Those farmers who are there will continue in production. A farm is something you cannot quit. I think if a rail line is to be built which is going to go through wilderness and where there could be a line where farmers are living by a great deal of struggle then we think the line should serve these people if it could do the other job as well.

MR. FEEHAN: I was wondering if, in your opinion, you felt that there was an immediate necessity for the food grains that would come out from the rail route north of Grimshaw?

MR. McINTOSH: In my opinion there is no need for further grains at the present time. We have a surplus condition and our economic experts, the agricultural economists and so forth, have graphs and statistics to prove our population is not going to be sufficient to overcome the agricultural production increase on present acreage for at least 25 years. I think ~~that~~ that is a fact unless we have a great deal of further increase in population.

MR. FEEHAN: Could you tell us anything about a roadway that runs in almost parallel to the proposed Grimshaw route?

MR. McINTOSH: I believe at the present time the road is a good road as far as roads go.



It has been very bad in the past.

MR. FEEHAN: What type of road would it be?

MR. McINTOSH: At the present time I understand it is a well graded gravel road.

MR. FEEHAN: And its southern terminus would be where?

MR. McINTOSH: Grimshaw.

MR. FEEHAN: And its norther terminus?

MR. McINTOSH: Fort Vermilion, I think as far as agricultural production, would be the approximate terminus at the present time.

MR. FEEHAN: Are other trucks hauling goods along this highway?

MR. McINTOSH: That is true.

MR. FEEHAN: Would it be a fairly large industry or a small one?

MR. McINTOSH: No, it is a question of judgment as comparing this industry with some other part of the country. No doubt a considerable number of people today make a livelihood by trucking. I am sorry I cannot give an estimate as to the number.

MR. FEEHAN: What type of materials would they haul both in and out at the present time?

MR. McINTOSH: Well, of course, going out they are mainly hauling, as I have said, livestock and a certain amount of grass seed and flax.



Going in it would be largely consumer goods, perhaps a certain amount of agricultural machinery, not too much of that. I am not personally acquainted with many truckers. I don't know if they have a haul back load. I suspect many don't, that they are forced to go back empty.

MR. FEEHAN: I think that is all, sir.

THE CHAIRMAN: Mr. McIntosh, I would like to ask a question or two. I am not sure I understood what you said a while ago. You said amongst the farmers of this district there is some anxiety about the surplus of hogs and cattle.

MR. McINTOSH: I believe that is correct to say that.

THE CHAIRMAN: Are you speaking here for the farmers in your district one of the Farmers' Union? Do you think that is typical for the 4000 members of your organization?

MR. McINTOSH: I would think so from my personal knowledge of it.

THE CHAIRMAN: And there seems to be also a surplus of grain; doesn't there?

MR. McINTOSH: True enough, yes.

THE CHAIRMAN: I gather from your evidence that in your opinion it does not look as though there is likely to be very much expansion of agriculture in this area no matter what railways or highways are built?



MR. McINTOSH: I would think that is correct within 20 to 25 years.

THE CHAIRMAN: That is the period you mentioned, 25 years. If the population increases, as we hope it will, as you point out in your brief, we hope for a large expansion.

MR. McINTOSH: That is my opinion anyway.

THE CHAIRMAN: What you have been asking is the desirability of giving railway service to those people who are now farming some distance from railways.

MR. McINTOSH: Yes, sir.

COMMISSIONER GAINER: Could I ask one other question about the rates? Could we treat these as reliable figures: One dollar per hundred on livestock, 50 cents per bushel on grain. Would that be Fort Vermilion to Grimshaw? That is on page 2 here.

MR. McINTOSH: That is information I have from residents from the Fort Vermilion area.

MR. FOUKS: Mr. Chairman, would Mr. McIntosh be available for some questions after I speak to Council?

THE CHAIRMAN: Yes.

We have a short brief from the Golden Meadow, Local 215 of the Farmers' Union of Alberta. I will read the brief now and if a representative of the Local comes in during the noon adjournment



perhaps he might have something to add to it.

Submission by

GOLDEN MEADOW, Local 215

OF THE FARMERS' UNION OF ALBERTA.

"We farmers of the Golden Meadow Local #215 of the F.U.A., wish to commend the Governments both Federal and Provincial on the proposed Railway to the north at Pine Point.

The people engaged in farming in that area are very much concerned of having a railway go through from Grimshaw and therefore do sincerely recommend the Grimshaw route.

For years, there has always been a lack of transportation in that area, holding back developments that should have already been done.

Mining of iron ore in the Clear Hills region only a few miles from Grimshaw is another project that could also be developed which would also be a source of income to the railroad.

Agriculture could be regarded as the greatest source but has suffered the most.

It is evident when considering the cheaper construction, that service will be extended to more people and industries bringing into effect lower rates of transportation. Better service and cheaper produce for the Northern consumer and a choice



of direction of export commodities, that, the Grimshaw route is the most logical and practical route to Pine Point.

And further, when the N.A.R. and P.G. & E. are joined it will provide an outlet either West, South, or East.

Therefore we humbly and seriously commend the Grimshaw route for your earnest consideration when recommendation of a route is made to the Governments involved.

All of which is respectfully submitted by Golden Meadow F.U.A. Local #215. Respectfully, F.U.A. Secretary Golden Meadow, Local #215."

Now are there any submissions to be made in connection with that? We don't regard it as necessary that the person who submits the brief should be here, but it is desirable when it is convenient.

Well, I think we have completed this morning's hearing and we will adjourn now until two o'clock this afternoon.

--- Luncheon adjournment.

--- On resuming at 2 o'clock p.m.

THE CHAIRMAN: Mr. Forsyth, would you mind coming back and have Mr. Feehan ask you a few questions?

MR. FORSYTH: Thank you.



MR. FEEHAN: Mr. Forsyth, for how many years have you been living in the City of Dawson Creek?

MR. FORSYTH: For 17 years.

MR. FEEHAN: What year was the Pacific Great Eastern extended east to Dawson Creek?

MR. FORSYTH: Well, it arrived almost exactly a year ago.

MR. FEEHAN: Now I imagine that Dawson Creek handles some fairly large freight shipments through its various transportation facilities?

MR. FORSYTH: Yes.

MR. FEEHAN: That has been going on for some time?

MR. FORSYTH: Yes.

MR. FEEHAN: Where would most of the bulk shipments come from, say, during the past 20 years?

MR. FORSYTH: Edmonton almost exclusively.

MR. FEEHAN: Have you noticed any appreciable change in that since the time the Pacific Great Eastern has arrived in Dawson Creek?

MR. FORSYTH: I would say in regard to the word "appreciable", no.

MR. FEEHAN: What percentage of bulk transportable goods would you say have been taken away from Central Alberta and have gone to the Pacific Great Eastern?



MR. FORSYTH: I would not know an exact percentage but I cannot think of any that have been exclusively switched from the Northern Alberta Railways to the Pacific Great Eastern Railways. There has been some grain movements, largely seed grains, for which there was not a market in either direction prior to last year, although some did move to the coast by truck. There have been some small, comparatively small livestock shipments. I would say less than 5 per cent of the total movement diverted to the Pacific Great Eastern and possibly some of that percentage that is going by Pacific Great Eastern is of new origin due to new markets or opportunities.

MR. FEEHAN: In your opinion will this situation maintain its present balance?

MR. FORSYTH: I think so, yes. The Vancouver business people have tried to get the market for inbound manufactured goods, but I have been watching the situation very closely, having been in the transportation business myself before at one time, and I cannot see that they have made a dent. I think probably the impetus is lost already. They are just unable to serve to the same extent and degree. I think by nature as well as distance involved. They just don't understand our way of doing business.

MR. FEEHAN: In the event a connecting link



were to be made between Slave Lake region and Dawson Creek what effect would that have on the various shipments going either to the West Coast or through to Central Alberta?

MR. FORSYTH: I think we are speaking about raw materials coming out of the north. That is why I place the emphasis on World markets and probably markets on the coast to be reprocessed or processed. I would think, having two alternatives, it would just end up in a greater market in raw materials. We are talking about the mining industry in the north. I think it is pretty closely connected to Edmonton by habit, by custom, by knowledge of the Edmonton distributor, the type and kind of products needed, and by credit arrangements, all those things. I cannot see that Edmonton has to fear at all. For instance, even though there may be timber in the Northwest Territories there is certainly timber in the Dawson Creek area. We do bring in fir timber from the coast. It is now possible to get that to advantage, treated timbers. We used to get them from Calgary. We can get some from the coast. We used to get them from both places. In any event it is now treated and we get it from Prince George and Prince Rupert. Items like that are more available and accessible. The only way that the coastal suppliers can enter into the northern markets is to possibly set-up distri-



bution houses in the north themselves and supply them and I think this is restricted to some extent. There are certain items where someone has a Provincial distributorship and cuts off at the Alberta line. It would have to be connected with Vancouver if it came through Dawson Creek. In some cases where the distribution contracts were changed to go to a British Columbia firm the Dawson Creek area, or the Peace River block, has had to be changed back because it is not possible to service it properly.

MR. FEEHAN: If I gather your remarks correctly you would think in the event the West route were adopted the trade through Central Alberta would be increased despite what would go to the West Coast.

MR. FORSYTH: Yes, I think first of all there would be more business developed and therefore more trade and the little bit that might be lost would be far off-set by the increased development. If you are trying to find out about Edmonton's concern that they will lose something I don't think they have anything to worry about, as long as they want to continue giving the kind of service they have given in the past to the north. Cassiar Asbestos is a long way from Edmonton and even though there are some cases where they have come through a Vancouver distributor at the same time they still



pick up in Edmonton or it was brought through Dawson Creek and picked up in Dawson Creek.

MR. FEEHAN: How many people are presently residing in Dawson Creek?

MR. FORSYTH: Somewhere between 10 and 12 thousand the last census.

MR. FEEHAN: What was the population, say, five years ago?

MR. FORSYTH: Oh, about 7,500.

MR. FEEHAN: So there has been approximately 4,500 new residents in five years?

MR. FORSYTH: That is correct.

MR. FEEHAN: That is all, sir.

THE CHAIRMAN: You mentioned having had some experience in the transport business. Do you mind telling us what it was?

MR. FORSYTH: I would like to make it clear that I have no interest whatsoever in the business at the present time.

THE CHAIRMAN: But you have had some experience and knowledge, and you may be able to help us.

MR. FORSYTH: As most people in the Peace River know I operated a firm called Northern Freightways, a trucking firm which operated from Edmonton with head offices in Dawson Creek and offices in Peace River, which are still here, through to Hay River, Yellowknife, and up the



Alaska highway to White Horse, Alaska Prince George, connections to Vancouver. We covered a fairly large area over the priod of 17 years in this area. Possibly ten to twelve years in this section here. 17 years in the Alaska highway section.

THE CHAIRMAN: 17 years you were in Northern Freighways?

MR. FORSYTH: Yes.

THE CHAIRMAN: I gather from the way you have been describing the freight situation that you think the movement of freight will not change very much even if the railway were built from, say Dawson Creek on to the south shore of Great Slave Lake.

MR. FORSYTH: I think the origin of the traffic would not change very much. Now if a railway were to be built to Dawson Creek versus Grimshaw, or some other point, the route naturally would change but the origin, I think, would still be the same, with the exclusion of certain commodities that are the same essentially and maybe at the present time have come from the coastal regions anyway.

THE CHAIRMAN: Would it follow from that as far as the north is concerned they would not derive any particular advantage by having the railroad coming along the west route as against



the proposed east route?

MR. FORSYTH: I think they would derive advantage, particularly in the raw materials going out to World markets.

THE CHAIRMAN: I was thinking from the point of view of materials that might be taken into the north.

MR. FORSYTH: I think they would derive advantage. They have an alternative. If I were a business man in the north - - when I dealt with them they were fairly astute at opposing forces against each other to get the best deal. Where they did not have an alternative method or point of supply they were kind of hard to get along with. I think in all respects it is better to have an alternative. I think when you get right down to it the bulk of supplies would move from the point that is naturally best situated to supply them. I don't think that point should have exclusive franchise by having a route which no-one else can approach the services. I don't think it is good for them and I don't think it is good for the Northern Canada.

THE CHAIRMAN: From the point of view of materials going into the north the advantage, I take it in your opinion, to the north or the west route is it provides an alternative.

MR. FORSYTH: That is correct.



THE CHAIRMAN: Competition is a good thing and perhaps the service would be improved.

MR. FORSYTH: Yes, that is correct. On inbound machinery some does come by the coast by water and could be routed more directly. It is an advantage. That is especially heavy machinery, heavy plant machinery.

MR. FEEHAN: Mr. Forsyth, at the present time almost all of the food stuffs going into the Northwest Territories, Yellowknife and beyond come from Edmonton over a distance of some 700 miles to the south shore of Great Slave Lake or by aeroplane to the distributing centre north of the Great Slave Lake. In the event a railway were to be built along the Peace River area what food stuffs could be shipped in from points north of Edmonton, that is shipped into the north from points north of Edmonton?

MR. FORSYTH: Almost all of these food stuffs with the exception of some of the canned goods that are peculiar to the Taber area and possibly the lower Fraser Valley and are canned and processed there and distributed through Edmonton distributors. With the exception of those particular commodities I think almost all the food stuffs could be supplied right out of the Peace River area. We have had a problem. We could not haul eggs to the Northwest Territories out of, say, Peace River Town. They are shipped from



Edmonton. They get them out in car loads. We used to transfer many, many car loads of eggs out of Peace River to Yellowknife. That is because the Peace River area has not been assured of a big enough market in the north. There has not been the development. There was not the even flow of supplies. At the same time the supplies had to be flown from Edmonton, other times Great Slave Lake, other times by boat, other times Waterways. There was no formally established route there. You could not set up a distribution point in the north. You have to have enough volume of business in order to have an even flow, especially when dealing with eggs, meat, and those things. We have a problem with meat. We ship a lot from Edmonton to our own area. We don't have a market built up big enough to use all of the animals. One of the complaints of the local people who raise beef is they tell me they can get all the high class meat they want in the area but cannot get the lower grade, what they call bull meat. I think probably the local butchers would bear that out. These are things that develop as the market grows. I would think that for the Peace River area for some time Edmonton would have to continue to supply these things and then the market would grow and someone would be forced to establish the distribution or pro-



cessing of those local items here and distribute them north. I think maybe that is the hope we all have for the north.

MR. FEEHAN: What would be the ultimate effect of producing food stuffs, say, north of the town of Peace River and shipping them into the north - - I mean monetary-wise.

MR. FORSYTH: I think the effect would be most desirable. I don't think there is any question. Anybody recognizes you can raise all the potatoes you want in the area. Almost everybody in the area raises a few. What is the good of anyone raising potatoes? You don't ship to Edmonton, you ship north. There's tons of potatoes move into the Northwest Territories. I think it would be a terrific advantage to the local farmers. You ship clean potatoes, you don't want to ship dirt that far. That is a problem we have all the time. We have to do something about it. We have to establish more fields. Then we can encourage local people. I think they will automatically step in and take advantage.

MR. FEEHAN: Thank you, Mr. Forsyth.

THE CHAIRMAN: Mr. McIntosh, would you mind coming back for Mr. Feehan to ask you a few questions.

MR. FEEHAN: Mr. McIntosh, earlier this morning Mr. Gainer asked you a very pertinent



question regarding agricultural surpluses which existed. He asked you this particular question: Are agricultural surpluses a problem at the present time? I believe your answer to that was "Yes". Was that so?

MR. McINTOSH: My answer was "Yes". I did answer that. Would you like me to explain why I said "Yes".

MR. FEEHAN: I would like you to explain it, if you can, in relation particularly to livestock and the grain substances.

MR. McINTOSH: Well now, this question of surplus, it is perhaps tied rather together with economic production. When a product does get in what we consider a surplus condition it means there are not sufficient people willing to buy it at prices we can afford. At the present time we can sell hogs but not at a sufficient price which actually warrants doing it. If there was no Government support prices in it perhaps it would not be producing at all. Of course, the farmers are doing it. They have to live. In connection with grain I think we do have a surplus condition. It should not be so. There is a World-wide demand for food. The distribution system if not organized sufficiently these grains can move on. Right in our own neighbourhood we have a farmer who had when he retired from the farm, 40,000 bushels of grain piled up. They had to spend money build-



ing graineries to store more grain. That is a surplus.

MR. FEEHAN: It has been said there may be eventually, perhaps in the very near future, a surplus of uranium in the northeast corner of the province, and there is undoubtedly a surplus of oil at the present time. There is a probable lack of zinc and lead, which is around the Slave Lake Basin, and very little market for the salt and the gypsum in Eastern Alberta. Could you distinguish the surplus, if there is a distinction, between these products - - the mineral products and agricultural products - - or is it one and the same problem?

MR. McINTOSH: I don't believe it is quite the same problem in so far as minerals or that type of thing. If need be and if they want to keep in production they can stock-pile the stuff and it will not deteriorate. In most plants they can shut down. It is not good for the hired help, but it does not worry the management too greatly if it is more economical to do that. In farming you keep on or let it go back to wilderness. That, I think, is the main distinction between the two.

MR. FEEHAN: Would you say that this problem of surplus is a problem which will vary from year to year or do you think it has a long life ahead of it?

MR. McINTOSH: I believe that all depends



upon the World powers and our own distribution system. I, for one, feel we could get rid of all our production and everything we can produce could be distributed where it is needed. As to whether or not it will continue - - it could do providing we are going to be dependent upon our own population to consume goods that can be produced on the farms. As far as I can read, and from what I have heard lectured by the so-called agricultural economists, we can go 25 years before our own population will consume everything that we can produce. That maybe all upset too. The scientific world is progressing in the agricultural field to such an extent we can produce enormously more than we could ten years ago and the limit is not anywhere reached.

MR. FEEHAN: Thank you.

THE CHAIRMAN: Thank you, Mr. McIntosh.

Is Mr. Hibbard of Nampa here?

MR. HIBBARD: Mr. Iddins is going to present our brief.



Submission of
FARMERS' UNION OF ALBERTA - DISTRICT NO. 2

PRESENT:

Mr. Howard Hibbard

Mr. E. F. Iddins

THE CHAIRMAN: Mr. Iddins, if you would like to comment on your brief as you go along please feel free.

MR. IDDINS: Mr. Chairman, Commission, ladies and gentlemen. I am here to produce the brief of the Farmers' Union of Alberta, District number 2.

"The members of District Two of the Farmers' Union of Alberta wish to commend the Governments, both Federal and Provincial, on the interest they have shown in the study of the development of Northern Alberta, and the appointment of the Manning Commission to study the best route for a railway to Pine Point on Great Slave Lake in the Northwest Territories, thus giving the people engaged in the various industries in the North, the opportunity of presenting their views on the best route for the proposed railway.

We, who are engaged in farming, wish to express our appreciation of the opportunity afforded to present the viewpoint of Agriculture in recommending the Grimshaw route.



It has been recognized for years that inadequate transportation is the greatest factor regarding the development of the North especially with regard to the Agricultural, Lumbering and Mining Industries.

The construction of a railroad from Grimshaw nowrth is long overdue. The construction of a railway, whether by the Waterways or the Grimshaw route, must be viewed from the long-term viewpoint, taking into consideration construction, the benefits and service it will give to the most people, and the contribution it will make in developing the Industries of Northern Alberta for years to come. When the subject is approached from this viewpoint the Grimshaw route is the most practical one.

FIRST: It appears to be the route of cheaper construction and maintenance. The terrain through which it would pass is high enough to offer good drainage assuring good townsites and a solid foundation for a permanent road and comparatively level, thus avoiding steep and difficult grades; the rivers it would cross are narrow allowing for cheaper bridge construction.

SECOND: Service. Service is the key to success of any project, and is of great importance in planning a railway to Great Slave Lake. A route from Grimshaw would serve three



major Industries to the greatest degree; they are Agriculture, Lumbering and Mining. The first 200 miles of railway north from Grimshaw would serve (1956) census, 7500 people - - "

THE CHAIRMAN: I think that figure is given in the McGregor Commission.

MR. IDDINS: Yes, I believe that is correct. Many of these figures I have obtained from the McGregor Report. Some of them I did round off.

"of white origin in 5 Improvement Districts giving cheaper transportation for the heavy, bulky, and low-priced products shipped out, lumber, wheat, oats, barley, etc., as well as those shipped in, such as machinery, etc. A local survey of lumber delivered to Grimshaw for rail shipment for the year 1958 was 29M board feet and is a source of income for many of the settlers during the winter months. This Industry would appreciate the facilities offered by a railway such as less handling of lumber as well as cheaper transportation.

Fishing is not engaged in much at the present time but this is an Industry which could be developed with the proper incentives one of the most important being adequate transportation.

Mining of iron ore in the Clearhills region, only a few miles north of Grimshaw, is another



project that in years to come could be developed and be a source of income to a railroad.

Agriculture could be regarded as the greatest, and has suffered the most. According to the 1956 census there are 1,202 occupied farms consisting of 495,553 acres; of this 261,507 acres are under cultivation and is on the increase. In 1958 it was estimated there was an annual shipment of grain of from two to two and one-half million bushels besides shipment of grass seeds, etc., which is considerable;"

Now, I have taken the word of some of the people in the northern area that have investigated this for this figure of two to two and one half million. Besides that I have also figured up the amount of acres cultivated according to page 17 of the McGregor Report and multiplied it by 6 bushels to the acre, plus 300 bushels per farmer, and that brings it almost to 200,000,000 bushels. If you take 500 bushels as the unit delivery it would bring you the 2,000,000. If you considered oats at the 8 bushel quota, that is unit delivery, it will well exceed the 2,000,000.

THE CHAIRMAN: You are multiplying 6 bushels to the acre?

MR. IDDENS: That is deliverable bushels.

THE CHAIRMAN: You produce more than that on the average?



MR. IDDENS: Yes. I was figuring what could be marketed at the present time. I believe the figure there is two to two and one half million bushels delivered to Grimshaw.

THE CHAIRMAN: Do you only market 6 bushels throughout the whole twelve months?

MR. IDDENS: Yes. 500 bushels of barley or 800 oats.

MR. BALDWIN: That is per cultivated acre, not necessarily per crop acre.

THE CHAIRMAN: I see. It is the equivalent of 12 bushels.

MR. IDDENS: "33,632 hogs and 4,775 head of cattle, most of which would make for pay-load rail haul.

After expenses have been deducted the inhabitants of the five Improvement Districts affected, have but a meagre existence. If rail transportation service was provided, and markets available, development in the Agriculture field would be greatly expanded. Even under present conditions a railroad north would cause an expansion in dairy, beef, poultry and vegetable production, as an outlet would be afforded the residents of Keg River and Fort Vermillion areas in the north. Also it would practically end the uncertainties of delivery and high transportation costs.

And further, when the Northern Alberta



Railway and the Pacific Great Eastern Railway are joined it will provide an outlet either East or West, for the outgoing products of the various industries served.

It is evident, therefore, when considering the cheaper construction that service will be extended to more people and Industries, bringing in to effect lower rates of transportation resulting in increased net income and a higher standard of living and an improved sense of well-being; that better service and cheaper produce for the Northern consumer and a choice of direction of export commodities will result; and that the Grimshaw route is the most logical and practical route to Pine Point.

Therefore we humbly and seriously commend the Grimshaw route for your earnest consideration when recommendation of a route is made to the Governments involved.

All of which is respectfully submitted by District Two of the Farmers' Union of Alberta."

COMMISSIONER GAINER: I was wondering if you might care to expand for our own interest something on page 3 here towards the bottom? You mention even under present conditions the railroad north would cause an expansion in certain farm enterprises.

MR. IDDENS: People of the Fort Vermillion area and the Keg River area and the Manning area



are not expanding as much in agricultural industry as they might, owing to the fact they have to grow grain or produce that will bring the highest price or else feed it to the livestock so as to concentrate it into the final product so as to give a greater return to the people. If there were a railroad these people would be able to grow more of the grains that are cheaper, such as wheat, oats, and barley. Many of these are feed on the farm. In fact when I was in the north I found out that a great many people have not had permit books over the past years. They have planned to feed all the grain and therefore not marketing the grain they get at the present time. Whether this would be good or not, as to the surplus, is another thing which would have to be weighed by the individual.

COMMISSIONER GAINER: Would it be fair to say that the effect of a railroad would result mainly in lower transportation costs for settlers north and this would be the end of the effect? In other words, incomes would be increased slightly. Or would you go beyond this and say not only would this happen but production might expand and certain enterprises, new markets would be created. If so would you identify the new market, where you would feel these would expand?

MR. IDDENS: I would feel many markets that have been denied to people in the past in



those areas would be created, especially to the north. The dairy industry does not progress in that part of the country, you might say, at all. It could be expanded because there could be markets that would be available to the north. Some of these products, I understand, have to be flown in- to mining camps at the north. If there was a rail- road and transportation provided it would be a ser- vice for those people to expand the industry where they could go and place their products on the mar- ket. There are other things - - you take the egg industry, the poultry industry that could be ex- panded. You take some of that land along the Peace River itself is very good land for the pro- duction of garden stuff that could be produced and I believe marketed effectively in the northern part.

COMMISSIONER GAINER: You would antici- pate then that northern markets might well be avail- able to production.

MR. IDDENS: Yes.

COMMISSIONER THOMPSON: What is number 2 district? How far north does that go?

MR. IDDENS: Number 2 district goes as far north as there is any agriculture.

COMMISSIONER THOMPSON: And southerly?

MR. IDDENS: Valleyview, east of the Smoky, and as far east as Slave Lake, and as far west as the British Columbia boundary with the



exception of one Local that is on the east side of the British Columbia boundary and north of the river, which is in District 1.

COMMISSIONER THOMPSON: District 1, where does that go?

MR. IDDENS: District 1 takes in everything west of the Smoky River to the British Columbia boundary.

A SPECTATOR: East of the Smoky River to Sturgeon Lake.

THE CHAIRMAN: It is by and large south of District 2.

MR. IDDENS: The two of them make up what we call the Peace River area.

THE CHAIRMAN: Mr. Feehan the next brief is from the Local North Star. I wonder if you would like to hear that and perhaps Mr. Iddens would not mind waiting and you might like a short adjournment to discuss cross-examination with other Council.

MR. FEEHAN: Yes, if you would not mind waiting.

MR. IDDENS: That would be fine.



Submission by

F.U.A. LOCAL NORTH STAR NO. 249

and AFFILIATES (NO. 206 and NO. 227)

PRESENT:

Mr. Joe Jason - Committee Secretary,
North Star, Alberta.

THE CHAIRMAN: Feel free to elaborate on
this, Mr. Jason, as you go along.

MR. JASON: "Transportation, particularly
railway transportation, into the new settled areas
of the Peace River country has always been a major
problem, the settled area north of Grimshaw to
Fort Vermilion, although it has been in the pro-
cess of settlement and expansion for the past forty
years, is no exception, being still without rail
services.

Settlement in the area was encouraged
many years ago by Federal Government land settle-
ment schemes, and more recently by the Alberta
Government's lease and rental homestead plans.
Part of the encouragement offered to settlers
many years ago was the implied promise of railway
services within a reasonable period of time.

Within the last ten years, following the
completion of the MacKenzie Highway, 276, 480
acres have been opened for settlement in the
Meikle, Keg River and Fort Vermilion areas. This



land has been settled to a limited degree only, largely because of the excessive cost of transportation on farm produce, farm equipment, and supplies over great distances by highway from the areas in question to the railroad at Grimshaw.

That highway transportation cannot offer freight rates comparable to those offered by a railway, and further that highway transportation costs are such as to make settlement of Northern Alberta unprofitable for agricultural purposes, are evident from the following table of comparative rates now in effect. All comparisons given without prejudice.

Truck freight rates from the following points to the railway at Grimshaw.

	MANNING (60 miles)	KEG RIVER (125 miles)	FORT VERMILION (230 miles)
Per Bus.of Wheat	12¢	22¢	35¢
Hogs & Cattle per CWT.	50¢	\$1.00	\$1.75

It sometimes varies a cent or two cents higher. If you happen to live close to the highway you can get a cheaper rate. If you happen to live five or six miles away you might put on another two cents extra. It would be 14 cents instead of 12 cents. The prices vary as compared to the distance from the highway.



THE CHAIRMAN: "All comparisons given without prejudice". I suppose you mean the figure of 12 cents is a figure from 12 to 14 cents?

MR. JASON: It is not everybody's price. I myself have paid 12 and 11 cents. I have a neighbour five miles from my place who said he has paid 14 cents.

THE CHAIRMAN: We understand they will not be exactly the same for every farmer.

"Railway charges from Grimshaw to Edmonton (320 miles) on livestock 83 cents per cwt.

Railway charges from Grimshaw to Port Arthur or to Vancouver, per bushel of wheat approximately 20 cents.

Trucking charges Keg River to Grimshaw (110 miles) \$7.00 per M board feet.

Railway charges Grimshaw to Edmonton (320 miles) \$6.00 per M Board feet.

1956 census figures show the following facts about the area north of Grimshaw.

Population	7,607	(I believe that is
Farms occupied	1,202	white population
Occupied acreage	495,553	only)
Improved acreage	261,507	
Additional available acreage.	1,492,000	

In 1958 the following quantities of farm and forest products were trucked to the railroad at Grimshaw at rates quoted above:

Lumber	-	29 million board ft.
Hogs	-	33,632
Cattle	-	4,775
Grains	-	2 - 2½ million bushels.



There are some grass and legumes. It is not always a definite crop. Sometimes you get a good year for legumes. Other times that is very indefinite, grass and legumes.

"It can readily be seen from the above how important it is to the agricultural and lumbering industries to have railway transportation.

Tonnage would increase sharply with the completion of a rail line through the area as the districts in their entirety would become settled and fully developed and would enjoy some measure of stability.

This area has, over the years, repeatedly petitioned the Federal Government to give serious consideration to the building of a railway north of Grimshaw to serve the growing needs of the agricultural and lumbering industries.

Recently it is becoming evident that a railway from the Northwest Territories will be warranted in the near future, both for economic reasons and possibly as a defence measure. Since the development of the mineral areas of the N.W.T. to a point where mineral development alone will warrant the building of a railway may be many months or even several years in the future it would appear that the solution to the entire problem would be the building of a railroad north from Grimshaw in two stages, the first stage from Grimshaw to Fort



Vermilion to serve the immediate needs of the people of the area, and the second stage, as development warrants, to serve the N.W.T. mineral development.

The first stage of some two hundred miles would offer immediate relief from excessive freight rates to the established settlers of the area and would encourage further settlement and the establishment of new industries. In addition it would serve the N.W.T. by shortening the freight haul by truck to and from the ore fields by over two hundred miles.

The first two hundred miles north of Grimshaw, the agricultural and lumbering stage of the railroad, should be started immediately, and the balance of the railroad from Fort Vermilion to Pine Point in the N.W.T. could be completed when development in the north became sufficiently advanced to require railway services. The first stage of the railway, Grimshaw to Fort Vermilion would be serving a very useful purpose. While the north is being further tested and proven for deposits of minerals and oil, railroad tonnage to and from the far north would be a worthwhile consideration in helping to defray building and maintenance costs of the first leg of the railway.

At the completion of the entire project the line would serve and be supported by the lumbering and agricultural industries of the southern



half of the area as well as by the mining industry of the north.

For comparison, and again without prejudice, the nearest competitive alternative route to arrive at the same destination of Pine Point would have to have, not 200 miles, but 400 miles of railway supported almost entirely by mining development and built through low-lying terrain, with the additional expense of two large bridges, all of which would serve a comparatively small population and open to settlement a comparatively small area of arable land. The tonnage to support such a railroad would have to come almost entirely from the source of minerals.

Another important feature of a line north of Grimshaw would be the providing of the North with an alternative railroute either east or west from Grimshaw when the N.A.R. is joined with the P.G. & E. in B.C. This we believe would be most advantageous and desirable, placing the north in a more favourable position for buying and selling in other parts of Canada and in foreign markets. Then, too, the N.W.T. would have an agricultural area, the Peace River country, at convenient distance and able to supply the north with all the necessary vegetable, meat, dairy and poultry products at all times without the uncertainties and high costs of highway transportation.



To see what effect a railway north of Grimshaw would have on the whole of the Peace River country it is necessary to consider the entire area east of the mountains and lying on both sides of the Peace River northerly beyond Fort Vermilion. This is an area of great agricultural, lumbering and pulpwood potential which cannot possibly reach its maximum value to the province and to the nation while handicapped by lack of cheap and adequate transportation facilities.

A railway from Grimshaw to Pine Point and the construction of a short line to join the N.A.R. with the P. G. & E. at the Alberta-B.C. border would provide the entire Peace River area and the adjacent N.W.T. with sufficient rail transportation to make possible maximum development and settlement of the areas concerned. We believe that nowhere in Canada could a rail line be built which would extend so many benefits to so large a populated area.

Since the Peace River Area can offer industrial sites adjacent to inexhaustible supplies of natural gas and water, while electric power projects now under consideration on the Peace River just west of Alberta border would have a capacity output of 4 million H.P.

It seems only reasonable to assume that completion of such railway transportation facilities would result in a very definite increase in



industrial development which would have the effect of stabilizing the economy of agriculture, labour, business and professional alike.

Now Whereas:-

1. The construction of a railroad north of Grimshaw to the Fort Vermilion Area has been overdue for many years.

And Whereas:-

2. The Alberta Government has stated its willingness to give free of charge sufficient crown land for right-of-way purposes along the Grimshaw north route.

And Whereas:-

3. Provincial Governments do consist of a cross section of representatives from all parts of a province including the cities.

And Whereas:-

4. The north Grimshaw route has been favoured by the B.C. Provincial Government along with many prominent Organizations and individuals, including Premier E.C. Manning.

And Whereas:-

5. The Federal and Alberta Governments both have obligations to fulfill to the populated settlements north of Grimshaw.

And Whereas:-

6. Highway transportation can never offer freight rates comparable to railway rates on long hauls of



heavy cheap commodities.

And Whereas:-

7. The construction of railways is being contemplated for economical transportation into many mining areas, to make mining development in those areas feasible.

And Whereas:-

8. The agricultural and lumbering industries north of Grimshaw have a comparable class of freight and distances of haul, by way of weight and market value per pound as those of mining areas.

THEREFORE BE IT RESOLVED:-

That we urge this Royal Commission to give due consideration to the need of railway facilities through these populated agricultural and lumbering settlements north of Grimshaw".

COMMISSIONER GAINER: I have two questions. First, the figures you quote are lumber, hogs, and cattle and grain from Grimshaw. Are you able to mention the source for these?

MR. JASON: Yes, for the lumber we have mill operators up there that quoted us prices the truckers charge.

COMMISSIONER GAINER: I mean the volume figures?

MR. JASON: The 29,000,000 feet - - we picked out members of the Committee to contact



different parties. A member contacted all the elevators for grain and the stock buyers in Grimshaw. We asked every man that would be going out. They gave us a fairly close estimate of what came from the north and on the lumber we asked the mill operators that information.

COMMISSIONER GAINER: There is one other question I am interested in. In this experience of opening up a country beyond railhead to what extent is it the practice for farm labour to move seasonally into the bush for a lumber operation anywhere north of the present rail line? Is this a substantial source of income to farm settlers in the region?

MR. JASON: Well, I could not say off-hand. Myself I couldn't get away if I wanted to. I do know I have some neighbours and they go and work in the bush in the wintertime.

COMMISSIONER GAINER: This is often a rather important feature of pioneer agriculture, some other source of cash. I am wondering now whether the development of a lumbering industry north of here would have any favourable effect, let us say, on agriculture development or whether it is just a neutral thing. Most lumbering operations would be in the wintertime, I presume.

MR. JASON: I believe you have a lumber operator here. I am not very well acquainted with that.



COMMISSIONER GAINER: Just from your knowledge of settlers at the present time, say north of Fort Vermilion, could you say whether it is a substantial practice for agricultural settlers to pick up additional income through a lumbering operation in the winter, not as their own operators, but working in the bush.

MR. JASON: I suppose if he has any need of it he would. I could not get away. As far as I know there are only two or three in my own district. I don't know too much about Fort Vermilion. I have friends there. I have never been there personally myself.

THE CHAIRMAN: How far are you from Fort Vermilion?

MR. JASON: I believe it is about 125 to 130 miles. It takes six hours to get there. I am 60 miles north again.

THE CHAIRMAN: If this railway were to follow the route, or follow close to the MacKenzie Highway, how far would it be from Fort Vermilion?

MR. JASON: From what they tell me it is about 30 miles, somewhere in the vicinity of 30 miles from the River.

THE CHAIRMAN: It would not give complete relief to the people of Fort Vermilion, it would be a help.

MR. JASON: It would. The settlement, I



believe, is east of the highway, east and toward Fort Vermilion town. That is what I have heard. I have often wanted to go up there and haven't been able to break away.

THE CHAIRMAN: You say "encouraged by the promise of a railway within a reasonable period of time". When did you come in?

MR. JASON: The first time 1928.

THE CHAIRMAN: Did you come in on the strength of the promise, what you thought was a promise of a railroad?

MR. JASON: I do remember, and I have often wished for it, I did see a paper - - I believe the Free Press. On the first page was a black line - - I am not sure whether it was 1928 or 1929, within the vicinity of two or three years, and I have often been tempted to write back. I do remember seeing that. When I did set up here there was common talk and knowledge of a railway already. One neighbour who lives at North Star said away back in 1915 there was talk. There was some surveyor going through on his land. That was way before I came.

THE CHAIRMAN: Do you know what the origin of that talk was? Why people were talking that way?

MR. JASON: No. When we came up ourselves there was so much talk of the Peace River



country at that time in Southern Saskatchewan and other places. In fact we have people in the States that came up. Peace River country was talked of quite a bit at that time.

THE CHAIRMAN: You don't remember any particular statement that was attributed to anyone in a position of authority concerning a railway.

MR. JASON: No. I was just a young lad but I do remember seeing that map. That is one thing I am sure. It was in the Free Press, if I remember rightly. I know when I saw that I was tickled pink there was going to be a railroad there. We would not have to go through that bush to get to the homestead.

THE CHAIRMAN: Did you see that after you moved, the map you saw.

MR. JASON: No. My Dad had filed in the Spring and he had come back and then this, I believe, was in the Fall that I saw it. But as I say I have been awfully sorry I never did cut it out. Just like now I realize it would have been very welcome.

THE CHAIRMAN: Do you remember whether you had already planned to come to this Peace River country before you saw the map?

MR. JASON: Yes, I believe we had already planned. We had already filed.



THE CHAIRMAN: We are going to have a short adjournment now.

--- A short recess.

COMMISSIONER GAINER: There is one other question which may not be fair to put to you, but perhaps you will comment on it. It has to do with railroad grades in the crossing here. In the event there is lots of ore or concentrates moving south would there be any problem in the grades up the hill at the crossing here moving from Grimshaw, Peace River, and up?

MR. JASON: Well, I don't know. I am not a mining engineer. I am not a construction engineer but we did state it depends on where the stuff would be mined, depends on the distances or where they process it. I don't know myself where they process it. I know Consolidated Smelting is at Trail. I have heard rumours they can start one in Edmonton. There is nothing definite in there, therefore a person cannot elaborate on anything like that. I have heard there is rumours of ore west of Clear Hill. I have heard some north of Hines Creek. There have been numerous discussions about ore in here. If these materials or minerals could be hauled east well it would have to go up the grade here, but if they decide to have it a place closer -- I should not say that. I don't know where they would mine stuff.



COMMISSIONER GAINER: I was thinking of Pine Point?

MR. JASON: Pine Point is the origin of it. What I mean is I have heard of a new mine at Loone Lake at Manitoba. I know they are building a railroad here. I don't know whether they are mining it close to Winnipeg or Ontario or where. If they are going to haul that far I would say it is easier to haul it west. They have a smelter at Trail. I don't know what it takes to develop that stuff we have. I have heard this Wenner-Grenn Power intended to develop out west here. We have the potential here. The only thing is: is it going to be developed?

THE CHAIRMAN: We will adjourn now for ten minutes.

--- A short recess.

MR. FEEHAN: Mr. Iddins, if my understanding is correct, and I would like to refer to this map on the wall, District number 1 starts at the British Columbia boundary with Alberta at the Peace River. Is that correct?

MR. IDDINS: Yes. There is one Local on the north side at Chariot Point on the north side of the river.

MR. FEEHAN: But generally the District number 1 would be south of the Peace River until



you get to the Town of Peace River itself and then it would follow west of the Smoky River in a line almost directly south to Sturgeon Lake.

MR. IDDINS: Yes.

MR. FEEHAN: Here is Sturgeon Lake down in the valley.

MR. IDDINS: We usually consider the Smoky River the dividing point.

MR. FEEHAN: Would you think it would be fair to say the entire District number 1 is satisfactorily supplied with rail service as far as agriculture is concerned?

MR. IDDINS: Well, there might be instances when they would wish to ship things north.

MR. FEEHAN: Yes. That could be done as far as Peace River?

MR. IDDINS: As far as east or west you might say that they are supplied better than some other districts.

MR. FEEHAN: Now again, if my understanding is correct, District number 2 is east of District number 1 until you get to Slave Lake and then it takes up everything to the north.

MR. IDDINS: We go down to Slave Lake town.

MR. FEEHAN: Slave Lake town, a line drawn north and south through Slave Lake town would be the eastern extremity of District number 2?

MR. IDDINS: Yes.



MR. FEEHAN: Now in District number 2 there are approximately 7,500 living. Is that correct?

MR. IDDINS: That is correct. That is in the ID's. That is in those that would be affected by this railway. I have not checked on what would be in the ID's south and east of Peace River. Those that would be affected by a railway running north from Grimshaw through four or five ID's affected would be 7,500.

MR. FEEHAN: I understood the statistics included the entire farming area in District number 2?

MR. IDDINS: No.

MR. FEEHAN: You are only referring to the five Improvement Districts which would be affected by the northern line.

MR. IDDINS: That is right.

MR. FEEHAN: What percentage of the population would live within 50 miles of the present line in these five particular ID's?

MR. IDDINS: Well, I would not know the percentage. I haven't thought to figure it out. We have a scale on page 17 of the McGregor Report of population. I believe the population is given there.

MR. FEEHAN: Could you estimate it at all?



MR. IDDINS: That would be pretty hard to just estimate. I might be a very long ways out if I did try and estimate.

THE CHAIRMAN: Is there anyone here who can estimate it or is familiar with it? 7,500 people who live north of Peace River and who would like to get a railway service. Mr. Feehan is interested in knowing what population live more than 50 miles away from Grimshaw.

MR. FEEHAN: From the existing rail route.

MR. BALDWIN: I would say that the only fairly thickly settled area, any rural settlement that is, would be around possibly Deadwood. When you get farther north you would be out of the range - - Deadwood, Dixonville, and Clear Hills. If you exclude that you are talking about 800 people. You would have 800 people in the three areas. When you get beyond there you are getting to the North Star District 60 miles away. I am looking at the voters list. There are only three areas of any substance - - Dixonville, Clear Hills, Deadwood, and there is Warrenville. I am not going east or west.

THE CHAIRMAN: You say about 6,700 people more than 50 miles away from the present railway.

MR. BALDWIN: As of the 1956 census. That was the 1956 census that is being referred to. Mr. McGregor took his base from the 1956 census.

THE CHAIRMAN: Then there are at least



6,700 people who are more than 50 miles away from existing railways.

MR. BALDWIN: Yes. When I give my brief I will enlarge on that. You can underline the "at least".

MR. IDDINS: If you would permit me to get the McGregor Report I could give you a fair idea. If you would look at page 16 on the McGregor Report.

THE CHAIRMAN: You will deal with it tomorrow, Mr. Baldwin, in some detail?

MR. BALDWIN: Yes.

MR. IDDINS: There is ID 138, 145, 146, 147. There are four ID's.

THE CHAIRMAN: They are all more than 50 miles away?

MR. IDDINS: 138 is the Manning area. That is over the 50 miles. That is a total population of 4,215. ID 145 is Buffalo Head Hills, which is 136.

THE CHAIRMAN: Only 136 people in that district.

MR. IDDINS: It seems very hard for me to believe that because Mr. Anderson, at the experimental farm, told me around 500 families in the Fort Vermilion area.

MR. BALDWIN: You will get that farther down. Fort Vermilion is 2,500.



THE CHAIRMAN: And they are all over 50 miles away?

MR. IDDINS: Yes, those are all over 50 miles away.

THE CHAIRMAN: That comes very close to Mr. Baldwin's estimate.

MR. IDDINS: Yes, very close.

MR. BALDWIN: Still Keg River and Hay Lake which he has not dealt with yet.

MR. IDDINS: 146 in Keg River.

THE CHAIRMAN: How many are there there?

MR. IDDINS: 146 is the number of the ID. 136 total population.

MR. BALDWIN: That gives 634 people. One area where there is very rarely a crop failure, Mr. Chairman.

MR. FEEHAN: In addition to that there would be 122 in ID 149, Hay Lake.

MR. IDDINS: Yes. That is not really an agricultural area though, is it? I think it would come under fur farming, the Hay Lakes.

COMMISSIONER THOMPSON: Did you not count cattle as agriculture?

MR. IDDINS: It would be agriculture. Quite a few head of horses there. I am not familiar with that area. You can confirm that across the page, table number 4. They have a distribution of ID's here and I do not understand altogether all



this distribution.

THE CHAIRMAN: You might discuss that a bit with Mr. Baldwin if you don't mind. After we adjourn you might spend a few minutes with him and perhaps you can arrive at some agreement as to what the figures are. It rather looks as though there are over 7,000 people more than 50 miles away from the railway.

MR. BALDWIN: In 1956.

THE CHAIRMAN: And then population has been increasing.

MR. IDDINS: That is what are classed as whites.

MR. FEEHAN: I have no further questions, sir.

MR. IDDINS: I would like to point out though on this rail route we have north from this point from Grimshaw to Pine Point you have a great deal more timber than you have on the Waterways project. The Buffalo Park area enters into this and I understand this is not the commercial area. You will find some information on that on map 10 of the timber resources in the McGregor Report. I think there is 70 miles of third rate timber and 12 miles of fourth rate timber along that route. Along the Grimshaw route there would be 100 miles secondclass, 80 third class.

THE CHAIRMAN: You are quoting from map



10 of the McGregor Report.

MR. IDDINS: That is right.

THE CHAIRMAN: I don't think we will bother you anymore.

MR. JASON: I would like to say one thing. It happened to me twice when hauling grain to Grimshaw. We are 50 miles away and the trucker tells you your grain is number 3 and you come in and there is no room for the grain in the elevator. The elevator man says he has room for four or five. You have to take a loss or else find room some place or take the grain home. That doesn't sound possible, but it did happen twice. I know it happened to others. I know one party came from Fort Vermilion with flax and they had to wait two or three days in town with the grain on the truck. There have been quite a few reports on that matter.

COMMISSIONER GAINER: How would you handle that if you were shipping by rail.

MR. JASON: I would say if we had a rail going north you could go to your own town and talk to the elevator man personally and then it would only be a matter of a few miles, would not be 50. If a trucker hauls 50 to 60 miles and wants 12 to 14 cents a bushel he is expecting to go back empty, not loaded.

COMMISSIONER GAINER: You don't think it is possible you might load a rail car at a siding



north and find no room in the Grimshaw elevator? What I am getting at is the relationship between the lack of facilities at the elevators and over-crowding of space and the effect of having a railroad there.

MR. JASON: Well, one thing is this: if I went to an elevator and had some grain and asked the elevator man if he could handle it, if you haul to Grimshaw and you find the grainery filled you have to put it in a farmer's yard. You have to come back at a later time and start to handle it again.

THE CHAIRMAN: Now that is something of great inconvenience, but that is something that might perhaps be solved if there was a telephone system up there.

MR. JASON: We have a telephone system but still you are 50 miles away and the elevator can't promise room and hold it.

THE CHAIRMAN: What happens if you telephone and ask for storage?

MR. JASON: I have been lucky enough to have it taken. One day it did happen that a trucker came and said he had room for number 3 grain. He came at twelve o'clock and we got back at four o'clock and he would not accept it. If you have grain in a farmer's yard in Grimshaw you might put 200 bushels there and when you come back you don't



know what would be left.

MR. URI POWELL: The elevator man cannot reserve space unless you have a special bin. You might arrange to bring it and if you are two or three hours late that space might be gone. You can only have it if you have a rented bin.

THE CHAIRMAN: Now, we have two resolutions from Hotchkiss. As I understand no-one is here representing Hotchkiss, so I will read them and if later on anyone wishes to add to this we will be glad to hear what is said.

NOTIKEWIN - HOTCHKISS F.W.U.A. Local # 209

"We the members of the Notikewin - Hotchkiss F.W.U.A. Local #209 numbering 56 wish to urge that the railroad long overdue in the many populated agricultural areas for a distance of 200 miles be constructed. The starting point at Grimshaw through the fertile Battle River District, Keg River and Paddle Prairie consisting of mixed farming grain growing and hauling from Fort Vermilion area, hence to Pine Point, N.W.T. Mrs. Elsie McDonald".

HOTCHKISS LADIES CLUB

"We the members of the Hotchkiss Ladies Club with a membership of 27, celebrating our 25th anniversary in November, 1959, wish to petition



for a railroad long overdue in the many populated areas from Grimshaw north to Pine Point including Dixonville, the fertile Battle River District on to Keg River, Paddle Prairie, Fort Vermilion, where at all points are grain growing districts and considerable mixed farming is carried on. Necessitating long hauls resultant in small returns for their produce. Hence to Pine Point in the N.W.T. some 200 miles.

Mrs. Elsie McDonald, Secretary-treasurer".

That concludes the schedule that we have arranged for this afternoon. Tomorrow morning Mr. Baldwin is going to present the brief of the Associated Chambers of Commerce for the Peace River area. As I understand it you have some witnesses here you would like to call this afternoon.

MR. BALDWIN: Yes. I thought it might facilitate things for you and for the witnesses, some who have come a considerable distance in the hope they might voice their opinions today and would be free and would not have to return tomorrow.

I would like to read the submission by Mr. C. H. Anderson, the Superintendent of the Experimental Farm, Fort Vermilion. It is not in fact a separate brief. You might say it was integrated in a brief which I will be presenting tomorrow in collaboration with the various areas in the Peace River country. Mr. Anderson could not



get here. I will read the brief. It is very short and I think it is very pertinent.

I might add that Mr. Anderson has the scientific and educational qualifications and has been for some years the Superintendent of this Experimental Station at Fort Vermilion and he has done a lot of research, not only on behalf of the Government but on his own behalf.

Last year I was in Fort Vermilion and discussed this matter with him amongst other things. He had then completed a tour of the area where he had taken soil samples. He had not done this officially but done this at his own discretion to find out the extent to which the arable soil was available in the Fort Vermilion area.

With that preliminary I will read what Mr. Anderson has to say. I will refer to the areas he mentions.

THE CHAIRMAN: This is a statement written by Mr. Anderson.

MR. BALDWIN: Which he would have given in evidence if he had been here.

THE CHAIRMAN: You have only one copy, have you?

MR. BALDWIN: I have one other copy here.

THE CHAIRMAN: Perhaps we should have one copy marked as an exhibit.

MR. BALDWIN: Yes, I will leave the original



with the Secretary.

"The Fort Vermilion area includes a fine agricultural region extending from the Buffalo Head Hills northward to Fort Vermilion and north of the Peace River extending towards the Carribou Mountains. Westward the area extends 50 miles to the McKenzie Highway and northeast to the Fifth Meredian."

It is very rough, the area delimited by Mr. Anderson. I think he would add if he were here, I am quite sure he would want me to say this on his behalf, that is not meant to include one solid agricultural block. As the land progresses to the Fifth Meredian there are prairies that get smaller in area - - a number of prairies, Little Red River and so on, which are available for settlement, which are not settled or utilized for agricultural purposes.

"It is estimated that some 1.5 million acres of potential agriculture land may eventually be farmed in this area.

Farming is presently the main industry of the area with some lumbering under way. There are prospects of oil, and gas appears plentiful. The Vermilion Chutes has a tremendous power potential."

THE CHAIRMAN: Just a moment, please. A million, five hundred thousand acres available for agricultural produce. The main industry is farming, some lumbering?

MR. BALDWIN: Some lumbering under way



and prospects of oil and gas appears plentiful.

The Fort Vermilion Chutes have a tremendous power potential.

"In recent years large areas have been open for settlement in the Buffalo Head Prairie (which is probably the most southerly part of the settlement south of the river), La Crete (which is the area south and east of the river and north of La Crete), High Level - - "

That is the point where the highway branches off, the McKenzie Highway comes to Fort Vermilion to be extended in due course to Peace Point and Fort Smith. That is the High Level District.

"Fort Vermilion and North Vermilion Districts. Estimates place the number of farms in this scattered area at approximately 600."

Now, I would like to elaborate on that. It would save me coming back. I have travelled into and out of that country for some 30 years, particularly over the branch road of the McKenzie Highway to Fort Vermilion. It is obvious to any person driving through there that there is an increase in the agricultural development and in the number of people living along this road. I use that to illustrate the fact that where there is an available means of transportation farmers do seem to want to farm despite the fact that the experts would suggest it is not possible to do so. This road travelling in is through an area where there was little settlement



before the McKenzie Highway was built, except the Bat Settlement and the Indian Reserve along that branch road. Anyone who has travelled there in the last few years will bear me out that houses have been built, cattle have been placed out on the farms. You will find at Rocky Lane when the bus stopped there were probably 15 to 20 cars, farmers vehicles, a large number of people around and it all goes to establish that as soon as a means of transportation is provided agricultural industry in that particular line of settlement has been greatly stimulated.

THE CHAIRMAN: Could you tell us to what extent there has been an increase?

MR. BALDWIN: In the number of people in that area?

THE CHAIRMAN: You say there are now 600 farms.

MR. BALDWIN: In this scattered area approximately 600 farms.

THE CHAIRMAN: How many would there have been before the McKenzie Highway was built, would you say?

MR. BALDWIN: Well, at that time a large part would have been in this area which is exclusively settled by Mennonites. There is something of a history there. The Mennonites came up there, some from Saskatchewan and some from the States, drifted down-river in rafts and settled largely on the east



side of the Peace River, some on the west. They squatted. You know what I mean - - didn't take a proper homestead entry. They stayed a number of years and were ultimately moved out by the Provincial Government and moved to the Fort Vermilion area and took up settlement there. I think that migration started sometime during the War years when I was away from here and became fairly intensive, probably during the 1945 to 1953 period. The Mackenzie Highway was constructed in 1949. I think you probably would have to go back to the land sale transaction, to the records of the Municipal District. It would be the Provincial Inspector of Lands and Forests who would have the tax roll to show when the lands were placed on the tax roll.

That is a fairly long answer to the question. It is very difficult to say with certainty what percentage of improvement there has been.

I would say from 1949 until now, a period of ten years, that there has probably been a 75 per cent increase. I may be proven to be entirely incorrect in that. I was absent from this country during the time some of that settlement took place.

"The cover of most of the area is light which makes clearing relatively easy with the equipment presently available. The land is mostly stone free a fact which will be appreciated by any who have experience with stony land. Cost of clear-



ing, piling, breaking and preparing for cropping is estimated at \$20.00 to \$30.00 per acre dependent upon cover.

Two distinct soil types are found in the district. The predominant type found at Fort Vermilion and extending throughout most of the area extending westward to the Mackenzie Highway is a greyish brown, fine sandy loam to light loam. In the Buffalo Head Prairie area the soil is of more recent development and is of heavier texture i.e., medium loam to heavy clay. With a soil reaction of over 7 in the surface layer there does not appear to be the fixation of phosphorus common to many Peace River soils. Soil fertility does not appear to be a problem though hay and pasture crops respond markedly to dressings of nitrogen fertilizer. Nitrogen-phosphorus fertilizers hasten maturity of flax.

Generally the climate is ideal for crop production. The distribution of precipitation during the summer period is favourable with total precipitation averaging 12.6 inches over a 47-year average. The first killing frost in the autumn averages September 8 for the same period. Spring seeding is usually commenced in late April or early May and harvest is generally underway by the end of August.

All crops are grown with success with



early frosts occurring in some seasons. Because of distance from market the main cash crops are flax and alfalfa but grasses and other special crops such as rape seed are being grown with success. Hogs and cattle are extensively raised, particularly in the La Crete and Buffalo Head Prairie area. Three townships in that area contain 123 farms and in 1956 averaged 10.3 head of cattle and 22.5 head of hogs per farm for a total of 1267 cattle and 2768 hogs."

I might add, I think it might be of some interest to the Commission, I have travelled fairly extensively through here in the last few years and there have been a measure of co-operation amongst the people with regard to the lumbering operations. They have bought lumber and the mills in co-operation have put up fairly good houses. I was quite surprised in seeing the type of house prevalent in that area. Unlike some of the people of that faith they have mingled well in the community. They went through an early period of difficulty with regard to education. They have a Fort Vermilion and District Chamber of Commerce or Board of Trade and the people from the Mennonites are going into Fort Vermilion to attend the Board of Trade. That is a problem not completely solved. It is a case where the people are starting to integrate themselves in the community life.

I should say with regard to the question of population that there are quite large

families in that area and one of the biggest complaints voiced to me by people in the district is there is not enough land being opened up to accommodate the children of the family who want to stay in the district, belong to the Church, and yet have an opportunity to go into the agricultural industry. They are asking that more of this land which Mr. Anderson referred to in his brief should be opened up.

THE CHAIRMAN: By the Provincial Government?

MR. BALDWIN: Yes. I think, as you gentlemen know from reading the McGregor Report, the land which is defined as arable land is defined in two parts. Land withheld from settlement and land for settlement.

"Future Expansion - Completed soil surveys and exploratory surveys presently underway indicate that potentially arable land adjacent to the Mackenzie highway from the Meikle river north to Great Slave Lake, west to Hay Lakes and east to Fort Vermilion and Wood Buffalo park would approximate the following acreages:

1. Keg River, Paddle Prairie - Carcajou (Preliminary Helicopter Survey, Alberta Research Council, 1958) 1,500,000 acres. Drainage will determine use of the soils in low lying areas.
2. Fort Vermilion area (from the Mackenzie high-



way east to Fort Vermillion and from the Buffalo Head hills to the Caribou mountains) 1,500,000 acres.

3. Hay Lakes (Preliminary Soil Survey by Young and Holowaychuck 1930) 500,000 acres. Some of these soils are reported to be alkaline."

I think that is the area for cattle raising. I have been told the story of a man who starts at the southern extremity of the Hay Lakes and will go with a tractor and mower, travel all day to the north, and still be mowing the same direction, come back the next day and come back again. That is a statement I have had made to me on several occasions. Quite properly Mr. Anderson qualifies that by saying some of it may be alkaline.

"We feel certain that with the rebuilding of the Mackenzie highway that much of the presently low lying land will become drained and will provide for growing of cereal and forage crops - - "

There is a very extensive effort being made by the Provincial Government in collaboration with the Federal Government to build quite a good highway up here which would mean improvement in the drainage situation. Mr. Anderson has that in mind here.

" - - as well as suitable pasturage for large numbers of meat animals. A good road out-

let plus a railway will materially develop this northern area over the next 25 years, and will allow for movement of agricultural produce north and south.

The area stretching north from the Meikle river and spreading eastward to Carcajou, Fort Vermillion and Red River if developed could conceivably support some 5000 farms within the next 25 to 30 years and play a prominent part in the feeding and development of northern Canada proper.

While development of Agriculture will depend upon the needs of our population it would appear quite possible that this northern production will be in demand within the next 25 years".

Some time within the next 25 years it will be in demand.

THE CHAIRMAN: He is referring to some millions of acres there?

MR. BALDWIN: Yes, altogether three and one half at least. Three and one half a million acres plus a potential of other acreages now doubtfully arable, which may be arable if proper drainage was provided.

I see no reason to keep these. I have left one with the Secretary.

Now, I am going to call witnesses here. I think I will call Mr. Hugh Thomson, President of the Associated Chamber of Commerce of the Peace



River area. He comes from the Town of Fairview. I will ask him to make a statement with regard to his position as President of the Associated Chamber and a resident of the Town of Fairview. The question I will ask you is this: First, how far is Fairview from the Town of Grimshaw?

MR. THOMSON: Approximately 35 miles west.

MR. BALDWIN: So it is safe to say then your community is not immediately and directly influenced by this choice of a line?

MR. THOMSON: No.

MR. BALDWIN: Now with regard to any possible indirect benefits which your town might have accruing to it from the construction of the railroad in through the Peace River area, and with regard to your views as a citizen of the Peace River country, would you be good enough to give to the members of the Commission your comments?

MR. THOMSON: Mr. Chairman, I have been interested in Chamber of Commerce work now for something like 12 to 15 years in this particular area. Our settlement out west is rather one of the older ones. I like to say it is quite progressive. Our town proper is fully modern with natural gas, water, sewer, and we have almost reached the point where to go further we must have further industry.



At the moment we have a dairy and I believe today someone made a remark about the prices and gave actual figures on produce that could be shipped from this end to the north in comparison with similar produce being shipped, say, from Edmonton. I have with me Mr. McLean Pont, the proprietor of a dairy, and he tells me that milk from Edmonton delivered to Fort Smith is worth 68 cents a quart. Processed and delivered from Fairview by Mr. McLean Pont it sells at 35 cents a quart. Eggs are cheaper, 3 cents per dozen cheaper but processed in the Peace River area, not shipped out to Edmonton, shipped direct from our own area to the north. Those were two instances that would answer the question brought out today. There is a 33 cent saving per quart on milk.

We, in our particular section, in the years gone by have been, shall we say, wooed by the outside interests from Edmonton. We have had goodwill plane tours, train tours, request speakers and a general Chamber of Commerce meeting up until about five years ago. We had lots of them. It was something terrific. That, Mr. Chairman, has ceased. That ceased with the coming of the Pacific Great Eastern to Fort St. John. Unfortunately it sounds like something possibly said in bitterness or hatred but no, I think those who have been active in the Chamber



of Commerce work over the years will verify what I said.

Prior to that time the railroad was going out of the Peace River country, going out of the Grimshaw area, but as I have said there was no thought of the Pacific Great Eastern reaching Fort St. John at that time. Our area, we feel, is being subdued and held back for lack of this industry which, to name one particular instance, could be the Clear Hills iron ore, sometimes called Hines Creek, Grimshaw iron ore, it extends something like 60 to 65 miles, we like to say, north of Fairview. We are told with the proper arrangement it could be processed in our area. Now there in itself is the beginning of an industry that knows no end. That is merely one of the small things.

We would like to strongly suggest to you gentlemen of the Commission that in making your findings you should stop and consider the possibility of some institution or organization or group of people who might be thinking of losing business to Edmonton over the Pacific Great Eastern should the Hines Creek railroad be extended to Fort St. John, as it must be done in the future. If the interest opposed to the railroad were certain the Hines Creek road to Fort St. John would not be completed there would be no opposition to the Grimshaw road at all, Mr. Chairman.



MR. BALDWIN: I have one more question:

Do you feel that the railroad going to the Northwest Territories, if constructed from and through the Peace River country, would in any way add to the prosperity or industry or future of your town?

MR. THOMSON: Oh, without a doubt.

MR. BALDWIN: Would you very briefly tell the Commission.

MR. THOMSON: Are you asking me if a railroad from Grimshaw went north would it add to the prosperity of our town? Very, very much so. Automatically as the railroad progresses out of Grimshaw we are hoping that by the same token pressure would be brought to bear to take the Hines Creek railroad to Fort St. John, tying in with the Pacific Great Eastern and Vancouver. Unfortunately those to the south are a bit narrow-minded on that. It was brought out and it is somewhat ridiculous. As the Peace River prospers so those to the south prosper. Some two or three years ago - - possibly the Peace River Chamber boys will remember - - we went to Prince George on a goodwill tour. In speaking to the Prince George Chamber people they told us they could take every cargo of food grain we could ship out of the Peace River. It would never get past Prince George.

THE CHAIRMAN: You refer to the advantages there might be to your Town of Fairview and the whole



community if the railroad would be built from Grimshaw north. Could you tell us what advantages you think there would be to the northern part of the country, say, the Northwest Territories?

MR. THOMSON: No, Mr. Manning, not having been north of Manning I cannot say what advantage to the actual Territories. One big advantage I think of that has been mentioned many times this afternoon is the cost of laying rails. As far as an actual advantage that is one big advantage that comes to me now. Undoubtedly if the mines and minerals are so great and vast, as has been described, in Edmonton there is a bottleneck, in my opinion. We think from McLennan out they could not possibly handle the show.

We are speaking of expanding markets, we are talking of shipping coal and ore to Japan, and some minerals from the far north, by bringing them to Grimshaw through Fort St. John and Vancouver. There is an ample market. We do admit there has to be a wider market than purely home consumption.

There would be an advantage to the source at the other end of the railroad. There is the advantage of fresh fruit and vegetables, etc., that would be produced 400 miles closer to the point of delivery. That would automatically improve the financial position.



THE CHAIRMAN: That is of the people of the Peace River country.

MR. THOMSON: Yes.

THE CHAIRMAN: We have had a lot of very helpful evidence on the question of the advantages to the Peace River. The question I was putting to you at the moment dealt with what assistance it might be to the Northwest Territories. You are not familiar with that?

MR. THOMSON: I have not been to the Northwest Territories.

THE CHAIRMAN: You have pointed out that there would be better opportunities - -

MR. THOMSON: Yes.

THE CHAIRMAN: In your submission for the sale of the produce.

MR. THOMSON: Yes.

MR. FEEHAN: Reference was made to what the witness referred to as the Fairview iron ore deposits. I wonder if there will be someone else at a later time whom we will be able to question regarding the ore deposits? If not I would like to take this opportunity of finding out what the present witness knows about them.

THE CHAIRMAN: As a matter of fact I was looking at the brief filed by Mr. Heffernan. It is a short brief and perhaps we should read it. Perhaps you would like to ask questions. I would like to see if Mr. Thomson has any observations.



This is a brief that has been filed by Mr. Hefferman:

"The primary interest of Premier Steel Mills Ltd. in the route location of the projected railway to Pine Point lies in the transportation and sale of steel to Northern points.

At the present time, Premier Steel Mills is shipping substantial tonnages of steel and steel products to the Northern mining districts. Transportation is difficult in that due to the extremely short shipping season, products must be stockpiled to meet the sudden demand during the short shipping season. This presents costly inventory and manufacturing problems to the steel mill that could be eliminated by a railway which would provide year around shipping through a combination of rail and trucking to the mine site.

Shipping to Great Slave Lake area will be satisfactory whichever route is taken - whether it be via Waterways or via Grimshaw. However, a route through Grimshaw would exclude the important Uranium City-Beaverlodge area which provides a substantial market for steel products - equal in total tonnage to the Great Slave Lake area.

Using the Waterways route, an important factor as far as Premier Steel Mills is concerned is that the projected railway will open up a large



new section of the Precambrian Shield to transportation and could lead to important mining developments. Since each ton of ore mined and concentrated represents a consumption of from 7 to 10 lbs. of steel per ton it becomes obvious that substantial new markets for steel and steel products become available through mining development. On the other hand, development of new wheatlands does very little to increase steel markets.

A secondary interest on the part of Premier Steel Mills lies in the matter of raw material supply. At the present time Premier Steel Mills holds important low-grade iron ore deposits in the Peace River area with ready access to existing rail lines. A high grade blending ore to mix with Peace River ore would forward the utilization of Peace River ores. From geological experience to date in Canada it is evident that the best possibility of finding high grade iron ores, or alternately ores that can be concentrated to a high grade product lie in the Precambrian Shield. The route via Waterways will bring transportation to a large new area of the Precambrian Shield."

Now Premier Steel Mills is advocating the eastern route of course, and it again is advocating it for its own reasons, which are worth



considering. I think we are perhaps more interested in the north than we are in the south. That does not mean we don't consider everything. There is one point I was concerned about here. I wanted to read it to you. We won't have an opportunity of coming back. This is the question of him saying low grade iron ore deposits in the Peace River area now have ready access to existing rail lines.

MR. THOMSON: He is quite right.

THE CHAIRMAN: Development of those iron deposits don't depend on further railways. Do you think he is mistaken?

MR. THOMSON: No, he is quite right. He has a rail line running within 30 miles of that ore bed to Hines Creek. The ore bed actually goes beyond Hines Creek. We are thinking in terms of developing that. We are in a peculiar position. We go to the Northern development conferences and we talk to the boys in the backroom and some say "We are all for you fellows". He is all for you when he is with you. It is a little difficult to get this sifted out. It is interesting and it is quite right that the railroad does exist within a reasonable distance of the ore bed. He says he cannot process without high grade ore that comes from Waterways.

THE CHAIRMAN: I think he says it is going to be easier to process it if he has some high



grade ore mixed with it.

MR. THOMSON: Has he got a high grade?

THE CHAIRMAN: The point I would like to clear up is this: You do not suggest that the building of a railway north of Grimshaw will assist in the development of the iron ore deposits here.

MR. THOMSON: Directly no.

THE CHAIRMAN: That is not a factor.

MR. THOMSON: No.

THE CHAIRMAN: In suggesting the merits of one route against another.

MR. THOMSON: No.

A SPECTATOR: May I ask a question? Is it not true that the iron ore deposits in Hines Creek extend to the Keg River region?

MR. THOMSON: I could not tell you the eastern end. According to the McGregor Report if they extend to the Keg River region they would again be on the railroad. It is natural if you develop an industrial area this industrial area would have to have good access to the inland market as well as the export market. This applies as well to the mining of all materials. Some have to be shipped to an inland manufacturing centre and some have to be shipped directly to Tidewater.

A SPECTATOR: The President of Premier Steel was interested in the Waterways route. He is also the President of the lumber company that



has a mill and timber on that route.

MR. BALDWIN: Well, if Mr. Heffernan will be presenting a brief - -

THE CHAIRMAN: I wanted to clear that up here.

MR. BALDWIN: When I present my brief I will refer to the thing generally. That is why I am not pressing further on it.

I will now call Mr. William McClarty from Manning, 65 miles north of Grimshaw on the route directly concerned.

THE CHAIRMAN: We have had the statement marked as an exhibit?

MR. BALDWIN: Yes. I have left a copy of Mr. McClarty's with Mr. Paterson.

I won't bother to ask you any questions. Will you please give us your name, position, residence, and by means of reading your brief and enlarging upon it would you give your evidence to the Commission with regard to this issue?

MR. McCLARTY: Mr. Chairman and members of the Commission. I live in Manning and I am a business man there and I present this submission on behalf of the people of Manning in that area lying north of Grimshaw.

THE CHAIRMAN: What position are you?

MR. McCLARTY: I am an oil agent.

THE CHAIRMAN: Have you been there



for long?

MR. McCLARTY: Since 1948. I was there for a period of approximately five years during the late thirties.

THE CHAIRMAN: As a homesteader?

MR. McCLARTY: Yes.

"BRIEF FILED BY W. R. McCLARTY OF MANNING, ALBERTA, on behalf of THE PEOPLE OF THAT AREA LYING TO THE NORTH OF GRIMSHAW ALONG THE POSSIBLE ROUTE OF A RAILWAY TO SERVE AND DEVELOP THE GREAT SLAVE LAKE AREA at the request of G.W. Baldwin, Q.C. M.P. special representative of The Associated Chambers of Commerce of The Peace River District:

A little over a year ago I was fortunate to be a representative of this country to the Federal Government in Ottawa in our request for reconsideration of a route then being considered for a railroad to the Great Slave Lake. The route then under consideration would have served the interests of exploitation while neglecting the development of an area of 33,000 square miles which is 15% of the total area of Alberta. The route favoured at that time was through an area of practically no population with not one single permanent or long range item of rail freight potential to recommend it. It is also interesting to note that not only did this route lie through an area consisting of almost as much water and muskeg



as dry land but in fact through the point of the lowest elevation in Alberta, approximately 680 feet above sea level just south of Fort Smith. It was our good fortune that either our pleas were convincing or other factors led our Senior Government to insist on further investigation of the route then under consideration and also of the alternative route suggested by our delegation.

I was recently, again requested by Mr. Baldwin to prepare this brief on the subject of a Great Slave Lake Railroad route which would also serve the area from Grimshaw north. While preparing this brief requests have been received from the Manning Chamber of Commerce and other northern community groups to accept their endorsement and to represent them in this presentation.

Any consideration of a Great Slave Lake Railroad raises two vital questions which are:

- (a) Is a railroad necessary and desirable between the settled portions of Alberta and the area adjacent to Great Slave Lake,
- (b) Should such a railroad pass through and serve and further develop the relatively high and well drained rich agricultural and lumbering areas lying on the west side of the Peace River?

It is not our intention to dwell at great length on the answer to the first question, rather we feel that in providing an affirmative answer to



the second question good reasons will be found for accepting a favourable position in regard to the first problem. It is felt that almost any argument in support of one is also a sound argument in favour of the other. However, before pressing any argument in favour of the Grimshaw route as we choose to call the route west of the Peace River we wish to offer the following observations:

1. It has been stated that the added tax revenue which may be expected as a direct result of the gradual development of the known mineral resources in the Pine Point area alone would fully amortize the cost of The Great Slave Lake Railroad over a period of 50 years if the Dominion Government were to build the railroad and hand it over to one of the Railway companies to operate. This may not be a significant point of consideration for our Provincial Government but similar benefits to the Alberta Government may be expected due to development of resources adjacent to the railroad if it followed the Grimshaw route. The authority for the first statement may be found in the Gordon Reports."

THE CHAIRMAN: Have you got a situation of that?

MR. BALDWIN: Gordon Robertson, Deputy Minister of Northern Affairs.



MR. McCLARTY: "2. We believe there is more known freight potential in the Northwest Territories to justify railway investment than there was in the Edmonton or Calgary areas at the time the rail services were first brought to those centres, there is manifestly more known and developed freight potential in the area north of Grimshaw than there was in the Grande Prairie and Peace River areas at the time the rail service was first extended to those centres. Carrying this point to its logical conclusion would any of these areas, Edmonton, Calgary, Peace River or Grande Prairie have provided the railways with their present freight revenue if the Government and the railways had been content to provide rail service only to within, say, 400 miles or even 200 miles of these centres?

3. A railroad to Great Slave Lake is not necessarily a gift or a subsidy or just a service to the people of that area or those along its route. On the basis of the foregoing we sincerely believe it is simply a sound business man's investment, dollars invested for gain. It doesn't matter who does the investing, Governments or private enterprise, both will gain.

4. A little over a year ago while discussing this subject in Ottawa in audience with Mr. Hees, Mr. Hamilton and other transport, northern affairs



and railway officials we offered the suggestion that a railroad from Grimshaw to Great Slave Lake would have more permanent military significance than the current model jet fighter then being developed at that time. That plane cost many times the sum necessary to build the Great Slave Lake Railroad, never fired a shot in anger and today is obsolete.

We are always mindful of the fact that railway people are business people and their operations are largely governed by the anticipated dollar return. One of the most profitable situations in the transportation industry is to have a permanent, non-seasonal, two way haul. This doesn't happen very often but the nearer an operation comes to this desirable situation the more profitable it is. Capital goods transportation often supplies high peaks of freight traffic in one direction at the time that development is in progress but this is before production starts; we are thinking of mining development and growth of mining communities in the north, much of the equipment and building supplies traffic into these communities will be completed before there is any significant amount of production of material for outbound traffic. This is where the advantage lies in building a rail road through the settled areas north of Grimshaw, grain, livestock, other



farm produce and forest products will make up the return traffic. Later, after northern development reaches the production stage the beam may tip the other way, more outbound traffic than inbound. Here again the advantage lies in following the settled route, inbound consumer goods, farm machinery, automobiles for existing populations and equipment and materials for the new and expanding industries which develop as these areas are served by rail transportation will help to increase the return traffic.

Much has been said regarding the economics of transporting grain and the unwillingness of railways to extend rail lines into additional agricultural areas but these things should be borne in mind when considering the Grimshaw route:

1. Many areas in the west provide little rail freight traffic other than grain and while grain may not be as profitable to haul as some other products we are inclined to think that it is a sustaining type of traffic. If this were not so the railways would be clamouring for permission to discontinue freight service to these areas particularly where other rail lines parallel within reasonable distance. In the past they have not hesitated to ask for and obtain permission to curtail passenger service on non-profitable passenger



lines, we think that grain transportation were really non-profitable they would attempt to effect similar arrangements.

2. The area north of Grimshaw is not exclusively a grain growing agricultural area and when rail service is supplied more acreage will be brought under cultivation and of course more grain will be grown but percentagewise there will be a greater increase in livestock, dairying, poultry products industries due to a larger market and year around transportation facilities both to existing markets in the south and to the developing communities in the north."

I would like to point out that "at the present time why I mention "year round". We have not in our area a full set-up for a market in the north for, say, poultry products. At certain times, for a month or more, the people supplying the market are unable to supply them. They have no transportation. Then the people who are buying find they have to seek another supplier and the goods come in by other means, possibly by plane, and they have to pay quite large sums of money. Assuming they fly in eggs it becomes quite expensive. Having changed their supplier for that month it is very very hard to get that market back. That is also a reason why I think there would be a percentage of increase in agricultural production as a result of this rail-



way route going north. Their prediction is that the market in the north is liable to be that type of thing. I don't see too much increase in demand for grain products, let us say flour. I think the biggest advantage from the farmer's viewpoint in our particular part of the country would be to try and supply them with those things like meat, butter, cheese, eggs, and things like that. The advantage, as far as the market at the other end is concerned, would naturally be cheaper products. They would be able to get better eggs and meat from that area cheaper than they could import from a centre 400 miles farther away, plus the fact they would not be dependent on high air freight at certain times of the year.

I will continue on with my third point.

"3. Unlike some southern areas agriculture is not the only basic industry in the area north of Grimshaw, Lumber and other forest products will supply a never ending and ever growing rail freight traffic. Only a small percentage of the annual allowable cut of sawlogs and pulpwood is being harvested at this time because of distance from rail transportation."

I don't have the figures with me but I believe it is something like 10 per cent allowable cut. The allowable cut is at the present time higher than it ought to be. Some of that



lumber is becoming over-mature. They would like to have it cut.

"4. The agricultural area north of Grimshaw due to the manner in which it was settled and also due to the inclination toward mixed farming is and will be for many years an area of relatively small farms, therefore there is more population per square mile of farmland than in many rural areas elsewhere in the west. This fact combined with the increasing numbers of men employed in forest industries together with their families makes this an area of high consumer goods consumption. With the inevitable expansion of both of these industries which will result from rail service this market will provide a good balance between inbound freight traffic and outbound traffic.

5. No alternative route to Great Slave Lake can offer a similar long term demand for two way freight traffic.

6. No alternative route to Great Slave Lake can offer the potential for increased traffic. The production of livestock, poultry, dairy products and other farm products can easily increase by tenfold when rail service is provided. Potential for increase of forest products is even greater.

7. No other large settled area in Western Canada has waited so long for a type of transportation that other communities take for granted. When



one considers the waste of millions of board feet of lumber which will be over-mature in a few years which should be cut soon but cannot be harvested until rail transportation is provided the situation is tragic. When one also considers that much of this area was settled as a result of encouragement in the belief that rail service would follow promptly and that this encouragement came from Government sources the situation is doubly tragic."

The authority for that is Charles Denning, the Minister for Railways 1929.

"8. Farming and lumbering are the known and proven permanent resources which lie along the Grimshaw route. There are others equally as long term and equally as promising as anything offered along any alternative route. Possibly the largest iron ore field in Canada lies only 30 miles west of Hotchkiss, the fact that the same field has large known deposits of coal argues well for its future development."

When I say the ore field is quite long and when we say that the iron ore field is served by a railway within 30 miles it is not considering the length of the field, only the south end of it. In connection with the quality of iron ore, I think it is a debatable point. Some say it is good iron ore and some say it is not so good.



THE CHAIRMAN: How far is it west of the proposed route?

MR. McCLARTY: Just about 30 miles.

THE CHAIRMAN: The south end is 30 miles north.

MR. McCLARTY: Yes.

"There are good indications of oil and gas deposits for over 300 miles on both sides of the Grimshaw route. Deposits of gypsum and high quality glass sand have been found along the Peace River near this town, doubtless other deposits exist along this same river which parallels the Grimshaw route for 200 miles."

That is speculative but a good deal of the argument for other route is on an "if" basis. In this case it is just speculative because there is gypsum along the river and glass sand. It is possible there is some further north than 200 miles that parallels the Grimshaw route.

"9. Finally a good highway which we expect to have in the next few years is not a substitute for a railroad, it is merely complimentary to the rail."

In this connection it is interesting to note that if a railway route went from Waterways north they would have to bring in a highway and haul materials in there. There probably would be a highway providing the muskeg and other water hazards were not too great. In any case if a



railway is built to any point and development starts there is going to be truck transportation and it will be competitive.

"We have had a reasonably good highway for a number of years but the limits to which development can be accomplished by Highway Transportation have been reached. Railway people are inclined to believe that a highway will afford competition in the movement of freight if the highway and railroad share the same route, this is true but the highway transportation facilities are not going to be any less competitive because the railroad is routed 200 miles east of the highway if their northern terminus is approximately the same. We doubt if a railroad can be built anywhere that truck transportation will not immediately become a factor. Railways are facing this competition everywhere and finding means of meeting it in many instances. In some types of traffic the railways have not found it possible to meet truck competition admittedly but they are still finding enough business in the particular traffic which they find most profitable and least subject to truck competition to remain a strong contender in the transportation industry. We feel that there is an abundance of the type of freight they are best qualified to handle on the Grimshaw route of the Great Slave Lake Railroad."



I might add here there is a little speculation as to the amount of lumber in that area. I have figures from Mr. Fischer in the lumber business and he thinks it will be this year 33 million feet of lumber from the area which will be served by the railway.

THE CHAIRMAN: That is how much lumber is coming out now, this year.

MR. McCLARTY: Yes, that is the amount that is likely to come out this year.

THE CHAIRMAN: That is coming out anyway without a railway.

MR. McCLARTY: Yes.

THE CHAIRMAN: How much would come out if a railroad was built?

MR. McCLARTY: Depends on how near you come to the allowable cut. I would think with the railway services you would find more mills willing to go in there. It goes for a better margin of profit. At the present time of the lumber coming south there is very little of it cut beyond 120 miles from the highway. That is a very long haul. Now there is some lumber cut north of that. A big part of that is finding its way into the Northwest Territory markets by truck.

THE CHAIRMAN: I suppose you are emphasizing this: That is 33 million feet that has come up from that area which would be revenue for a railway.

MR. McCLARTY: Yes, a good deal of that



would be, up to a point where they would hit the highway, 65 to 70 to 120 miles in that area. Starting about 60 miles up the road to about 120 miles.

THE CHAIRMAN: Do you think that would all come in by rail if the railway were there?

MR. McCLARTY: Absolutely. It is cheaper to haul lumber by rail than by truck.

THE CHAIRMAN: What would you say if they build a railway there and there is that much income for the railway how would it effect the trucking industry that is now hauling.

MR. McCLARTY: In this way: There will be a certain amount of adjustment, but I feel that the increased development of the area would supply enough trucking of possibly another type for the truckers.

THE CHAIRMAN: To make up for it.

MR. McCLARTY: Yes.

THE CHAIRMAN: You mentioned the statement Mr. Charles Dunning made in 1929. Could you tell us something more about that.

MR. McCLARTY: Only that he speculated or stated that it was his opinion that there would be a railroad on Great Slave Lake in his lifetime.

THE CHAIRMAN: Are you thinking that people came into the area on the strength of that.

MR. McCLARTY: I doubt if all the people



that came in knew that Charles Dunning made that statement. I think it was the start for a rumour more than anything else and it caused speculation as to when the railroad would come in. It was encouragement for the people to go in there and homestead.

THE CHAIRMAN: Is there a fairly large proportion of the people who are there now who came after 1929?

MR. McCLARTY: Yes, 1929 would be for the area where I live, at any rate, just about the beginning of the homestead rush. Homesteaders drifted in there a number of years before that. 1929 was when the rush started. Farther on people had been in there a good many more years than that. At Fort Vermilion Lawrence was farming there in 1889 and there were other old timers who had been farming much prior to 1929. I would say that 90 per cent came in in 1929 or later.

THE CHAIRMAN: You referred to deposit of gypsum and glass sand. Where are the gypsum deposits?

MR. McCLARTY: I am not positive of that myself. Some of that information was prepared in collaboration with other persons. Actually the gypsum is along the Peace River somewhere I am told.

THE CHAIRMAN: I wonder if Mr. Bald-



win is anxious to develop that. You are not familiar with that?

MR. McCLARTY: No, I am not. There is an industry here in Peace River taking glass sand out.

THE CHAIRMAN: You are not familiar with the location of that?

MR. McCLARTY: No, I am not familiar with the location of that.

THE CHAIRMAN: Mr. Feehan, have you any questions?

MR. FEEHAN: I have nothing, sir.

A SPECTATOR: I would like to make a comment. He is an oil man and I am a farmer. I would like him to explain a little more the conditions that exist in the Spring considering the farmers' supply in fuel oil. Regardless of black top or gravel road for about a month the farmers are in a bad position. I have found times when I couldn't get gas for a week or two. I think Mr. McClarty is well acquainted with it.

Another point on this encouragement into the northern part of our Peace River country here. It was encouraging for people to come here on the assumption that a railroad would be made. I have lived here since 1930. I went overseas for a few years and went across Canada 56 times. I have seen lovely country and at the same time



I have lived a long life here and know the conditions of the crops. I thought I would come back and take up a homestead. I thought it was the most favourable place to make a living and the opportunities and facilities were such it would make it profitable. I find now I am not able to do that. Certain things just cost too much.

MR. McCLARTY: I am glad you mentioned that point about the fuel. He is quite right. At certain times in the Spring, when there is a dam on the highway, sometimes we are not able to get fuel supplies in at the right time. Our storage may be full when the Spring season starts and the farmers start to require fuel after Spring operations but it does not take long to empty them. To be brief and to put the point across in the Spring of 1952 I had to take 20,000 gallons of fuel across the Whitemud River, it lies between here and Manning, on a barge in order to keep the farmers supplied. The highway was under water. I think a railway would have helped considerably in that respect for two reasons: First, it is not likely that even with a flood it would have flooded the railway. It would have a higher grade. Two, once a railway is through the oil companies feel a sense of permanency attached to the town and they put in bigger storage.



MR. FEEHAN: Your argument regarding the shortage of fuel supplies in the Spring would be applicable to a great many areas in Alberta, in White Cargo and Green Cargo, places of that nature.

MR. McCLARTY: I am not familiar with that. Have they no rail?

MR. FEEHAN: None at all.

MR. McCLARTY: I mean areas north, also areas such as Rocky Mountain House to the south. There would be no distinction there except as to the distance involved. You will not find farm communities 200 miles from a railway anywhere else in Alberta. For that reason they don't haul their own fuel. Commercial truckers are not allowed to haul it. It might be possible to put equipment on the road and haul one or two barrels of fuel but not to put tankers on those same roads.

THE CHAIRMAN: I believe Mr. Baldwin intended to call Mr. Rodacker next.

MR. BALDWIN: Mr. Fischer is the only one who might be ready tonight.

THE CHAIRMAN: All right, we will call him.

MR. BALDWIN: You are Mr. Kenneth Fischer and you live at Manning and you have a saw mill and conduct a lumbering operation in



the area between Manning and Keg River. Is that correct?

MR. FISCHER: That is correct.

MR. BALDWIN: I will ask you one or two questions. In the first instance, how many years have you been engaged in your lumbering operation?

MR. FISCHER: 12 years.

MR. BALDWIN: I think you are associated to some extent with Northwest Lumber Company.

MR. FISCHER: Northwest finance the operation.

MR. BALDWIN: Under your present operations approximately how many men do you employ in a busy season during the winter?

MR. FISCHER: In the peak of the season about 200 men.

MR. BALDWIN: That dwindles down to a comparative handful?

MR. FISCHER: About 50 in the summer.

MR. BALDWIN: Are those largely people from the local farming areas adjacent to your operations?

MR. FISCHER: I would say about 75 per cent local.

MR. BALDWIN: One more question: I won't pin you down to the exact percentage but assuming a railroad were to be constructed north from Grimshaw - - generally north from Grimshaw - -



what have you to say as to the increase in logging operations which you know you would be able to undertake?

MR. FISCHER: I would say it would up our production by 100 per cent. We could take out timber that is a lot farther back than what we are taking now.

MR. BALDWIN: What is the farthest distance from the railroad your operation is now carried on?

MR. FISCHER: 130 miles is the farthest haul.

MR. BALDWIN: From your experience would you consider that about the economic limit?

MR. FISCHER: That is the limit. I think that is about all. I haven't anything to add to that.

MR. BALDWIN: Have some companies recently gone into that area and taken out new berths?

MR. FISCHER: We have a new company east of High Level, the Imperial Lumber Company.

MR. BALDWIN: That is all, thank you.

THE CHAIRMAN: Imperial Lumber Company is a long way from the railway?

MR. FISCHER: 240 mile haul if they haul it by road.

MR. BALDWIN: Maybe they have inside



information as to the railroad!

COMMISSIONER THOMPSON: Just how much do you figure per thousand board feet it costs you to move 130 miles?

MR. FISCHER: Costs us about \$9.00.

COMMISSIONER THOMPSON: \$9.00 a thousand. What would that cost you on the railroad.

MR. FISCHER: \$3.50.

COMMISSIONER THOMPSON: An equivalent distance?

MR. FISCHER: Yes.

THE CHAIRMAN: In spite of the criticism we have they turn out to be convenient at times.

MR. FISCHER: For lumber and heavy commodities.

THE CHAIRMAN: \$3.50 the railways would charge for what cost you \$9.00. You say the railway would double production?

MR. FISCHER: Yes.

THE CHAIRMAN: How much are you producing now?

MR. FISCHER: 15 million.

THE CHAIRMAN: You produce half of the total production?

MR. FISCHER: Yes, that is about right.

THE CHAIRMAN: You would go from 15 million to - -



MR. FISCHER: 30 or 40 million.

COMMISSIONER THOMPSON: Do you haul with your own trucks or does Grimshaw trucking haul it for you?

MR. FISCHER: We contract it out to the truckers mostly. We cannot make any money hauling ourselves.

COMMISSIONER THOMPSON: Are those truckers on back haul coming back empty from the Northwest Territories?

MR. FISCHER: That is right.

COMMISSIONER THOMPSON: Don't those northern Grimshaw trucks come back empty?

MR. FISCHER: Yes. They are not equipped to haul lumber. They haul freight. It doesn't work out, hard to load.

COMMISSIONER THOMPSON: You don't load on pallets?

MR. FISCHER: It could be done but it is not very good.

COMMISSIONER THOMPSON: Do you strap it?

MR. FISCHER: Yes, we do.

MR. FEEHAN: I was wondering about the size of the logs generally that are logged in that area.

MR. FISCHER: About 20 logs per thousand.



MR. FEEHAN: How many inches across would they be?

MR. FISCHER: I would say about 18 to 24 inches diameter on the average.

MR. FEEHAN: What would they generally be used for when they arrived at the market?

MR. FISCHER: Mostly dimension for building, housing I would say.

MR. FEEHAN: Would there be any of the logs used for plywood?

MR. FISCHER: No, no plywood.

MR. FEEHAN: I understand there is quite a plywood factory at Grande Prairie.

MR. FISCHER: Not using this timber, using balm or black poplar but not spruce.

MR. JOHN BICKELL: We have started using spruce in the last year and we are using more spruce and pine, about 70 per cent spruce and pine, only about 30 per cent poplar. We intended to go still further. We are buying logs 110 miles and we are paying right now 50 a thousand. It is impossible to haul over 150 miles by truck. That would be comparable with rail about three or four hundred miles the same place.

MR. FISCHER: That is something new. I didn't know about that.

MR. FEEHAN: Do you find any trouble with the market? Can you sell all you produce?

MR. FISCHER: We have been able to sell



all we could produce.

MR. FEEHAN: In the event you could double your output would you find any trouble finding an external market?

MR. FISCHER: I don't think so.

MR. FEEHAN: You think the market is there and it is just a question of being able to produce that much?

MR. FISCHER: I think so, yes.

THE CHAIRMAN: Gentlemen, you have given us a lot of help this morning and this afternoon and we are grateful. We will adjourn until tomorrow morning at 9 o'clock.

--- The hearing was then adjourned at 6 o'clock p.m. to be resumed at 9 o'clock a.m. on 9th September, 1959.



9th September, 1959

--- Resumed at 9 o'clock a.m.

THE CHAIRMAN: Mr. Baldwin, are you ready to go on now?

MR. BALDWIN: Yes. I am sorry for being a little late, gentlemen. I am going to call two more witnesses before I proceed with my own material.

Mr. Bickell, I will ask Mr. John Bickell. He is unrehearsed and doesn't know he is going to be a witness.

Mr. Bickell, you are the president of what is known as Grande Prairie Plywoods Limited.

MR. BICKELL: Northern Plywoods.

MR. BALDWIN: Which, of course, is in the City of Grande Prairie?

MR. BICKELL: Yes.

MR. BALDWIN: You have been a resident of the Peace River country for a great many years.

MR. BICKELL: 1928.

MR. BALDWIN: Now the Northern Plywoods engages in the business of constructing and manufacturing laminated woods, plywood?

MR. BICKELL: Yes, plywood of all descriptions.

MR. BALDWIN: You gather raw material from all parts of the Peace River area?

MR. BICKELL: Yes, mostly southern.



MR. BALDWIN: I would judge it would be safe to say it is raw material until such time as you commence your manufacturing and was largely of no use at all, no utility at all, or very little.

MR. BICKELL: On the poplar we started out as a poplar mill 100 per cent. The last year and a half we have switched into about 60 per cent pine and spruce.

MR. BALDWIN: What sizes do you take?

MR. BICKELL: We take poplar logs down to 11 inch tops. That is the smallest. Pine and spruce down to 10 inch. 10 inch hardly pays its way through the plant. When we get organized a little better in lumbering we will probably go to 11 inch top. The tops all go into the lumber down to 6 inch tops.

MR. BALDWIN: That is what I had in mind. You are probably utilizing a commodity or raw material which, up to that time, had not been of too great value in this country.

MR. BICKELL: No, as far as poplar goes they had been no use. It was a weed tree until we started six years ago. One thing that forced us into other woods, pine and spruce, shortly after we started two other mills started using poplar - - started up in Edmonton. There was not enough poplar to go around and keep all three of us going. It was a case of necessity to pick



up something else and pine was sort of a drug on the market for the lumber industry until we started into it. Now they all want pine.

MR. BALDWIN: Might I interrupt you a minute? How many men do you employ?

MR. BICKELL: About 145 year round in the mill and about 100 in the bush in the winter-time.

MR. BALDWIN: Recently you have not had the slightest difficulty in marketing your output?

MR. BICKELL: Not lately. We did have some trouble in the wintertime, too much sheet. We eliminated that by going into a specialty - - knotty poplar and knotty pine, which took about 60 per cent of the material that went into the sheeting and we put it into fancy wall-board which allowed us to run two full shifts year round and gives a better return and instead of selling it for \$65.00 or \$75.00 for a sheet it goes at \$106.00 as a specialty.

MR. BALDWIN: I suppose it would be safe to say the 140 men includes those who would be engaged in the bush?

MR. BICKELL: No, that is 100 extra in the winter. This winter it will be more.

MR. BALDWIN: How many shifts do you run?



MR. BICKELL: Two shifts on most of the mill, about half the mill, and three on the other half. The dryers and now the spreader press works three shifts.

THE CHAIRMAN: You say you have regularly employed 140 men?

MR. BICKELL: 145 men.

THE CHAIRMAN: In the mill?

MR. BICKELL: Yes, year round.

THE CHAIRMAN: How many men extra do you have in the bush?

MR. BICKELL: 100 from freeze-up. We had some logging in the summer, not much.

THE CHAIRMAN: This winter you will employ more men?

MR. BICKELL: Yes, we only took out 10,000,000 last year of saw logs. This year it will be up to about 15.

THE CHAIRMAN: Last year you took out 10,000,000 and this year you will take out 15?

MR. BICKELL: Yes.

THE CHAIRMAN: You have a market for all that?

MR. BICKELL: Yes, no trouble about that.

THE CHAIRMAN: How many men will you employ this year?

MR. BICKELL: We are employing a little more in the mill now, probably 155 this winter and



about another 25 - - a total of 125 in the bush.

THE CHAIRMAN: Thank you.

MR. BALDWIN: With regard to the source of your material would you name the place and I will indicate them with the pointer? What are the limits of the places near you where you get the material?

MR. BICKELL: Around Grande Prairie and River Flats.

MR. BALDWIN: That is south and across the Watiti?

MR. BICKELL: The Smoky, and some upland. In that area we get our poplar and balm. We have our biggest bourse in the reserve south of Slave Lake, all the way from Slave Lake Town and south and through to High Prairie.

MR. BALDWIN: How are they shipped in?

MR. BICKELL: By rail.

MR. BALDWIN: You find rail much more economical?

MR. BICKELL: We can only truck profitably about 100 miles, 125 would be the limit. We are hauling 200 by rail, that is balm. On lighter timber like spruce you can go 400 by rail.

MR. BALDWIN: Do you think with the knowledge you have as to the present sources of supply of raw material that it is essential in the fairly near future you will have to find other



sources.

MR. BICKELL: Well, yes. I might say that our pine and spruce mostly come south of Grande Prairie from Simonette River over to the British Columbia boundary on the west. While there is quite a lot of timber in that area there is about four or five big lumber companies interested in that too. It is a question of whether we are going to get enough timber to do as we wish. We have plans right now for the next year for doubling our production.

MR. BALDWIN: In a business of your type you want to look a number of years ahead?

MR. BICKELL: You have to in the plywood business. You have quite a lot of expense and capital layout, machinery - - it takes high price machinery. You are running into a couple of million dollars and you have to know you will have timber for at least 50 to 60 years.

THE CHAIRMAN: You say the cost of doubling production will be about two million dollars.

MR. BICKELL: No, our investment now is around a million dollars. That is not including timber.

THE CHAIRMAN: It is a million dollars in your plant, Mr. Bickell?

MR. BICKELL: Yes, we could double



our production with about \$300,000.00 so that makes it very practical.

THE CHAIRMAN: Would you care to comment, Mr. Bickell, on the probable value to you as a source of supply of the area north of Manning.

MR. BICKELL: Well, right now there is a lot of timber and a lot of people up there logging. Now, we anticipate buying peeler logs from the lumber people and we are doing that now to a certain extent. We figure buying this year about 4,000,000 feet. The cost of trucking from a distance in this area north of here is prohibitive. With a railroad it would be very possible we could haul as far as Fort Vermilion and farther by rail and still be profitable. We will go farther with expansion. We don't know what our limits would be with expansion if we had the timber.

THE CHAIRMAN: Do you know that country personally?

MR. BICKELL: I have not been passed High Level.

THE CHAIRMAN: You have been as far as High Level?

MR. BICKELL: We have our timber and our cruisers in that area.

THE CHAIRMAN: Would you say it would



constitute a fairly good reservoir of raw material for some considerable time?

MR. BICKELL: Definitely. There is a lot of nice balm on the Peace Flats, not close here, starts about 100 miles north. That is within easy range of the railroad.

THE CHAIRMAN: I am most obliged. Possibly the members of the Commission and Mr. Feehan might want to pursue the matter further.

COMMISSIONER GAINER: There is one question I would like to raise. You suggested earlier your operation went some considerable distance to absorb or create a new use for poplar logs. Then you suggested gradually the operation had moved over to pine and spruce. I should have thought it was for market reasons. You are suggesting it was a shortage of poplar?

MR. BICKELL: The main reason was the shortage of poplar. We got what poplar we could get. We were allowed 100 sections for reserve. We could only find a quarter worth taking up so we found ourselves where we could not expand at all.

COMMISSIONER GAINER: Are you speaking of the area where you say you were in direct competition with other operators in this area.

MR. BICKELL: Yes, Western and Zigler around Lesser Slave Lake.



COMMISSIONER GAINER: What about the territory north of here?

MR. BICKELL: That would give several million feet of balm out of there but we figure going to about 30 per cent poplar. We could not afford to go out of poplar entire, because our big demand for the furniture trade is in Quebec and Ontario.

COMMISSIONER GAINER: My question now is: You are probably using three to four million feet of poplar?

MR. BICKELL: About four million a year. It won't last over 15 years what we have in sight now.

COMMISSIONER GAINER: What do you mean "what you have in sight" covering what area?

MR. BICKELL: Anything south of the Peace.

COMMISSIONER GAINER: How about 100 miles in other directions?

MR. BICKELL: Well, the only other direction is north and that is harder to truck.

COMMISSIONER GAINER: Even railing in from Grimshaw?

MR. BICKELL: We could rail in from north of Grimshaw.

COMMISSIONER GAINER: Let us say this: using it at the rate of four to five million feet



of poplar a year are you suggesting that this would soon use up the poplar available?

MR. BICKELL: Yes, we only have enough poplar in sight for 15 to 20 years.

COMMISSIONER GAINER: At that rate?

MR. BICKELL: Yes. The Government cruise will give you maybe 10 and you have to have about three million.

COMMISSIONER GAINER: Implying they over-estimate it?

MR. BICKELL: They cruise like they would spruce or fir. There is so much rotten stuff and you cannot use rotten logs where water gets in a tree and it starts to rot. You cannot haul a log if you have a rotten heart in it.

COMMISSIONER GAINER: One other thing I want to be certain of: Do you think that you will continue to use a fairly high proportion of poplar in your operations or is it likely you will creep up on spruce and pine?

MR. BICKELL: We will use all the poplar we can afford to and still have what we call a sustained view. Another reason we use pine and spruce as much as possible is production-wise. Poplar takes twice as long to dry as spruce and pine. In most plywood plants the bottleneck is the dryers. It takes 22 minutes to run one tenth poplars through the dryers and 11 or 12 on spruce



and pine. That is a big factor. Pine and spruce are much cheaper.

COMMISSIONER GAINER: That is what I am getting at. Is it not likely for market and production reasons you might find it increasingly advantageous?

MR. BICKELL: It will have to increase as we go into heavier production. We will have to increase our percentage on pine and spruce because the poplar is not there. I would like to make a point on something you might be interested in as comparing production of plywood with lumber for the economy of the province or the country. Labour-wise a thousand feet of plywood logs made into plywood creates two and one half times as much labour employed and the same thing holds true in value. A thousand feet of plywood - - not that it yields anymore but it is about the same percentage in value - - two and one half times as much as lumber. Also you use five sixteenth inch sheeting or quarter inch plywood in place of inch lumber. Therefore you get about 3,000 feet of quarter inch five sixteenth inch out of a thousand feet of lumber where you get a thousand feet of lumber out of a thousand feet of logs. For the economy of the country it is a very good deal, not that we want to try and crowd any lumber mills out of the country. It is live and let live. We want to get our share



and we are out to do it.

THE CHAIRMAN: You feel you are making a more economical use of the logs by making it into plywood by two and one half times?

MR. BICKELL: That is right.

COMMISSIONER GAINER: You think there will be a continued use for lumber and plywood in large quantities?

MR. BICKELL: Definitely. I might say when I started the plywood plant I had been in the lumber business all my life and what I did not know about making plywood would make a big book. If I had known as much about making plywood as I do today I would not have stuck my neck out. When you have invested everything you have in it, you have to make it go.

THE CHAIRMAN: You are satisfied now?

MR. BICKELL: Yes. I wondered what I was doing for a few years. I found out.

THE CHAIRMAN: You are now using four million feet of poplar a year?

MR. BICKELL: That is our intention.

THE CHAIRMAN: How much poplar is there that would become available?

MR. BICKELL: Actually our Government cruise in poplar that we have is only 61 million but that is way over-cruised. I would say it was 60 per cent over-cruised. We have not over



30 million feet.

MR. BALDWIN: I think he was answering you with relation to his present - -

THE CHAIRMAN: You are telling me how much you have available now. How much more would become available to you if the railway were to be built north of Grimshaw?

MR. BICKELL: We have not cruised that too thoroughly, but I think probably a third more.

THE CHAIRMAN: Just one third more?

MR. BICKELL: At least.

THE CHAIRMAN: That is another five years supply would become available?

MR. BICKELL: Yes.

THE CHAIRMAN: That is in poplars?

MR. BICKELL: Yes.

THE CHAIRMAN: So from the point of view of your business a railway would be of advantage so far as the poplar is concerned in making available another five year's supply of poplar?

MR. BICKELL: That is my estimation of it.

THE CHAIRMAN: What about other types of lumber?

MR. BICKELL: Well, there is a lot of spruce and pine in that area. I think we would acquire a substantial amount. It is hard to say



how much. You cannot say how much because then the timber berth comes up for sealed tenders and somebody might want it worse than you do. I would say we would get a whole lot more spruce out of that area than we would poplar. We buy more than we take up in timber berths. There is already a couple of big lumber dealers in that area and if you throw your weight around in a new area somebody else has got it is not too good a policy.

THE CHAIRMAN: So far as your industry is concerned you might own the lumber or timber berths. As far as we are concerned we cannot consider who is going to own them. We are interested in what the industrial prospects are there.

MR. BICKELL: I think we would probably manage to get a few hundred million.

THE CHAIRMAN: There are a few hundred million feet available?

MR. BICKELL: If the railroad runs through we could probably get about a hundred million or more.

THE CHAIRMAN: How much per year would become available?

MR. BICKELL: I don't know. Our first thing would be to try and buy as much as we could to conserve our own timber berths.

THE CHAIRMAN: That is yourself. What about the lumbering industry generally?

MR. BICKELL: In that area up there I



don't know. I should think if this railroad went in the lumber industry north of Grimshaw would be 60 to 70 million a year. That is between here and, say, 100 miles north of Fort Vermilion. If the railroad was to go west to a point south of Hay River it would open up a vast area where there would be other plywood plants go in and big mills. I should think there would be more lumber out of that area than there would be ores and minerals.

THE CHAIRMAN: Would you mind telling us where that area is?

MR. BALDWIN: I think it would be on this map.

MR. BICKELL: Well, in this area north of High Level there is about - - close to the east side of the highway - - there is about 10 townships of mature timber in here. To get over this way I should think there is lots of timber in this area but rivers would be used to bring this lumber down to the railroad here and trucks no doubt would be hauling into some of this area. It is not too much but there is this area down to Grimshaw here. I would say at least 100 million a year would come out of there. I should think ~~that~~ that would be somewhere near the allowable cut in that area.

THE CHAIRMAN: 100 million a year, is that in addition to the 60 million you have referred to?



MR. BICKELL: No. Mr. Fischer estimated about 60 million a year would come out also. I should think from Hay River south there could be 100 million allowable cut in saw logs and lumber and plywood logs.

THE CHAIRMAN: 100 million every year for Hay River south?

MR. BICKELL: Yes.

THE CHAIRMAN: From that area you point out to the west in there 100 million, do you estimate?

MR. BICKELL: I don't know all about it. I had an aircraft crew in here and I talked to Mr. Koerner of Alaska Pine. He mentioned a vast timber area in this area. I don't know enough to venture a forecast on it. I would not want to stick my neck out.

THE CHAIRMAN: 100 million a year average from Hay River south?

MR. BICKELL: Yes.

THE CHAIRMAN: That area to the west is an area where there is a lot of timber?

MR. BICKELL: Yes, compared to the other this is only a drop in the bucket.

THE CHAIRMAN: There is so much more timber to the west, is there, than where you take the 100 million a year from?

MR. BICKELL: Yes. Mr. Koerner of



Alaska Pine, made the statement, I believe, in Edmonton that on the Mackenzie River Basin the whole basin is 566 billion feet of lumber, of timber.

THE CHAIRMAN: Who was that?

MR. BICKELL: The President of Alaska Pine.

THE CHAIRMAN: How many billion feet?

MR. BICKELL: 566 billion feet of timber.

THE CHAIRMAN: Now, do you not suggest that if the railway were to go along the south shore of Great Slave Lake a lot of that timber would come down the river.

MR. BICKELL: Well, some of this here. I should judge these rivers are all navigable. If there were plants on the river here in the future a spur could be set out here or barged up to Mills Landing. I don't know how far down the Mackenzie it could go, but it looks like an enormous project.

THE CHAIRMAN: Any difficulty about barging timber across Great Slave Lake?

MR. BICKELL: There is no timber to speak of across the Slave Lake.

THE CHAIRMAN: I mean suppose you have some timber that comes down river or up the Mackenzie and you wanted to barge from north of the Mackenzie River to Slave Lake.



MR. BICKELL: No. For instance, I was interested in a mill here north of Hay River. My son-in-law was living at Yellowknife and he was engineer for Frobisher and was elected President and General Manager for Giant Maccasa. He knew about it and I went to help him out. They were cutting 3 or 4 million timber a year and taking it to Yellowknife by barges. I think you know something about the set-up. It is very cheap, cheaper barging. Barging is cheaper than railroad. You don't have to go up stream.

THE CHAIRMAN: What I was really thinking of was this: you say there is a lot of timber in the Mackenzie Valley and if we are going to use it there must be a railway built into the north. Is it important where on the south shore of Great Slave Lake that railway goes as to how valuable the timber in the Mackenzie Valley becomes?

MR. BICKELL: It seems to me like this. You have to have a railroad up here. This might as well be hauling this out of here as not. Your spruce timber or any timber goes to British Columbia. They have more timber than anything else. The market for white spruce and plywood is south and east. Most of the white spruce goes to eastern, central and eastern States. That is where the big market is. Our plywood goes to



the Prairies and clear as far as St. John, Newfoundland. This is the route it would have to take anyhow to get out. You have to go south and east. I don't see where any road could be placed any better than a road, say a mainline, through here north of Grimshaw to a point south of Hay River out to Fort Providence and eventually take you on to Simpson or hit the Liard River up there some place. This here would connect with the highways at Mills Landing at Yellowknife and probably eventually up farther north. If they use the harbour here the minerals or anything else would be barged to Hay River and routed out. The railroad would do a land office business. I don't think it could take care of it all.

THE CHAIRMAN: Mr. Bickell, the President of the Alaska Pine Company estimated a great deal of lumber.

MR. BICKELL: He said, his words were: There was 566 billion feet in the Mackenzie Basin. Most of it was on the west side of the river.

THE CHAIRMAN: He said you could not get that out without a railway.

MR. BICKELL: The only way to tap that was a railroad and much of it was mature and should be taken out. Timber is the same as a crop of wheat. When it is mature it should be harvested.



MR. BALDWIN: Mr. Koerner made that statement at the Northern Development Conference in October, 1958. The conference was in Edmonton. He was a panelist on it. There was a complete statement of all the statements and the briefs and arguments and discussions. I am sure you could get it from the Chamber of Commerce in Edmonton.

THE CHAIRMAN: Would you see if you could get a copy, Mr. Baldwin?

MR. BALDWIN: Yes.

THE CHAIRMAN: What kind of railway was the President of the Alaska Pine speaking of? Any special railroad that has to be built into the Mackenzie Basin?

MR. BICKELL: Not necessarily. He said this could only be brought out by railroad transportation. Of course, usually when you build a railroad into a timber you build it in a cutback and extend it on. That was how the Northern Alberta was built. In the first place it was built by a man named McArthur who had large timber holdings east of Lesser Slave Lake. He started the railroad and before it got there most of it was burned up. He had to unload it to the Government of Alberta.

THE CHAIRMAN: Mr. Bickell, would the railway we are speaking of, the one which is con-



templated to the south shore of Great Slave Lake, be the kind of railway the President of Alaska Pine was speaking of?

MR. BICKELL: I don't see why not. Any railway that would handle large shipments of ore would surely handle lumber.

THE CHAIRMAN: He says the only way to bring it out is a railway?

MR. BICKELL: Yes.

THE CHAIRMAN: That railway is still maybe 100 miles from the timber.

MR. BICKELL: Yes.

THE CHAIRMAN: Did he speak of the fact that the timber in the Mackenzie Basin could be obtained by using water transportation to, say, the mouth of the Mackenzie and then rail transportation there south.

MR. BICKELL: No, he didn't. He spoke about roads and water for leads-in to railroads. He did not say too much.

THE CHAIRMAN: What do you think about it?

MR. BICKELL: I know, I am sure that this Liard River is very navigable clear up to Fort Nelson and there is mature timber all clear up and past Fort Nelson. I should think it would be possible to take the stuff down-river all the way. It is going down-stream. One



boat could pull about three barges anyway.

THE CHAIRMAN: From what you know of lumber transportation it would be feasible to get it out the Liard River and bring it up the Mackenzie to Great Slave Lake.

MR. BICKELL: I don't know too much about what timber there is close to the river farther down but if there is timber close enough I should think this could come up too. I don't see why it couldn't. It is a slow river, not too much current. Then you get into the mighty Mackenzie.

THE CHAIRMAN: There is a lot of timber in the valley of Slave Lake.

MR. BICKELL: No.

THE CHAIRMAN: Not in the Valley of the Slave?

MR. BICKELL: No, it is pretty well cut up. I don't know, I believe there is a 100 million feet left in the valley.

THE CHAIRMAN: Is there much in the valley of the Peace River?

MR. BICKELL: There is only Denny Brothers and Swanson, about a billion and a half feet. Some of the authorities claim that is 50 per cent over-cruised.

THE CHAIRMAN: Are they taking lumber out of there now?



MR. BICKELL: Yes, they are bringing some lumber. Swansons are bringing some lumber from in here on the Peace Point, bringing some lumber out. The year before last they sold all they could north. Denny Brothers have a mill set up at Fitzgerald, 70 miles north of the timber. They are taking logs down the river to Fitzgerald and bringing lumber back out by barge to McMurray.

THE CHAIRMAN: They find it is apparently economical to take the timber down the Peace River to Fitzgerald, manufacture lumber there and then bring it back up the Athabasca River to McMurray?

MR. BICKELL: I don't know why they do it. It is a 140 miles out of the way and I am sure they don't know why they do it either.

THE CHAIRMAN: Well, that extra 140 miles you think makes quite a difference to their products.

MR. BICKELL: Definitely.

THE CHAIRMAN: Would you compare that route in miles with the route down the Liard and up the Mackenzie? Off-hand it looks to me as though Denny is a long trip but not as long a trip for lumber as it would be down the Liard and up the Mackenzie and out from there.

MR. BICKELL: This is down-stream



to here if the railroad tapped this some place in here. This is up-stream. They have got some bad water both in here and in here. It gets quite low and I think that Dennys put in a two and one half million dollars saw mill up here and they haven't got any timber for it. They should have about a one hundred thousand dollar mill and it cost them a quarter of a million dollars to move the mill in there.

THE CHAIRMAN: It is not the extra miles of water-haul?

MR. BICKELL: Not only water-haul certainly.

THE CHAIRMAN: Do you think the water-haul we are talking about the Liard and up the Mackenzie is feasible.

MR. BICKELL: I would not say this should be taken down here and brought up here. I would say the railway should go in here.

THE CHAIRMAN: It is cheaper to haul lumber by rail than up-stream against the river's current.

MR. BICKELL: Well, I would think so. Although you are building a railroad and cutting into timber as you know this probably would not be built in one year. Maybe it would be extended over a period of seven years, maybe ten years. This would be logged in as they went.



That is just a guess.

THE CHAIRMAN: Thank you very much.

MR. BALDWIN: I wanted to pursue an interesting issue that was opened up there. I assure you I won't be cross-examining my own witness. Mr. Bickell, you said something about your estimate as to the quantity of poplar. Now I suppose you made some trips up the Mackenzie Highway as far as High Level. I suppose you made some observations as a result of those trips. You are acquainted, of course, with the McGregor Report?

MR. BICKELL: That is right. I might state we have aero photographs.

MR. BALDWIN: I was going to refer you to an interesting contrast on page 49, Mr. Bickell. Mr. McGregor has collected there figures indicating the official Alberta forest inventory prepared comparatively recently and he gives on that page the total volume of timber in Northern Alberta. In reading that I should think you should refer to the matter, Mr. Chairman, which appears at pages 19 and 20, the map which faces page 20, and breaks down all of the forestry area in Northern Alberta, the Peace River, Grande Prairie, Lac la Biche, Slave Lake areas. The Peace River area in the upper lefthand corner is sub-divided into smaller areas 1 to 9. Possibly



I can show you that, Mr. Bickell. There is the forestry division, Slave Lake, in which you are now engaged in collecting raw material. Here is Lac la Biche, referring to the Peace River District now. That, of course, is the area through which the proposed railway, if one went through Grimshaw, would traverse?

MR. BICKELL: Yes.

MR. BALDWIN: Going back page 49 gives the total volume of timber in Northern Alberta and if you will refer to poplars in the Peace River area this is giving it in cords, considering it as pulpwood it gives 75,967,000, approximately 76 million cords of poplar shown as being in the Peace River division, which is by far the largest of any forestry division in Alberta. I think that is correct. I suppose then from that it would be fair to say that there is in the Peace River division, possibly unknown at this time, but as a result of these figures very large supplies of poplar.

MR. BICKELL: Yes, that could be. That is cords. It takes about two cords to make a thousand feet. Then it refers to other pulp, could be any size down to 6 or 7 inches.

MR. BALDWIN: What I was getting at

--

MR. BICKELL: There is substantial



poplar in that area.

MR. BALDWIN: By far the largest in any forestry division in Alberta.

MR. BICKELL: Yes.

THE CHAIRMAN: Mr. Bickell, I would like to ask you another question. You now get most of your timber from the area timber south of your mill.

MR. BICKELL: Yes.

THE CHAIRMAN: For the future do you see any shortage?

MR. BICKELL: Oh, definitely. I would say we could double production probably if we are successful in getting what we have applied for in our application for bourse. I don't know whether the Government has plans. They are revaluing timber in that area. I don't know what they are coming up with. They are figuring on some new plans for sustained yield but what it is I don't know. If we are going to have an area for sustained yield you have to have enough for about 100 years for the other stuff to grow. It takes about 100 to 120 years to grow timber from a seedling to maturity. We applied to get enough to double our production. Probably we could get it north of here.

THE CHAIRMAN: At the present time you can get enough lumber to double the production.



MR. BICKELL: It is possible. We would like to double our production again in a few years.

THE CHAIRMAN: In order to do that you feel you have to have more lumber. If the railway is built north of Grimshaw would you feel that would provide enough lumber for you to double production again in a few years time?

MR. BICKELL: I think so. It would require putting in a lathe, dryer. You can haul veneer by rail up a thousand miles. It is a possibility. Right now Western are hauling green veneer from Quinlett to Edmonton.

THE CHAIRMAN: Last year you manufactured about 10 million feet of lumber.

MR. BICKELL: We use about 10 million feet of timber. We use about 11 million feet.

THE CHAIRMAN: You plan to double that now?

MR. BICKELL: Yes, in the year.

THE CHAIRMAN: If there was a railway north do you feel that would mean you would use another 20 to 25 million feet?

MR. BICKELL: Yes, I figure our ultimate requirement would be 40 million a year.

THE CHAIRMAN: Half of which would come from the area north of here?

MR. BICKELL: Probably not that much.



It is possible from anywhere from 25 per cent up to 50 per cent, depending on how much we get other places, how much we buy from the saw mill people.

THE CHAIRMAN: You refer to the amount of timber that is available to you south of Grande Prairie. Are you referring only to timber berths you own and control yourself?

MR. BICKELL: Yes, that is all you can figure on. We have about 2 million of berths.

THE CHAIRMAN: What about other berths, are they being operated full scale?

MR. BICKELL: Yes, they are practically all being operated.

THE CHAIRMAN: It is not a question of a cost that you face in buying material from other people. It is a case of just not being available?

MR. BICKELL: That is right. We can buy and pay quite a lot more for logs.

THE CHAIRMAN: Entirely apart from the question of cost of lumber I take it there is a shortage.

MR. BICKELL: A shortage of timber.

THE CHAIRMAN: In this area.

MR. BICKELL: That is right.

THE CHAIRMAN: That shortage would be corrected if there was a railway north of Grimshaw.



MR. BICKELL: Yes. For instance, there is Northern Plywoods who use a lot of timber. Grande Prairie Lumber take up 25 million a year and Imperial Lumber and Atlas and Clearwater coming from the south. They are big operators and they would all increase if they had an allowable cut. We don't figure on crowding anybody out but we are looking for more timber. We would like to have a couple of billion feet. That sounds pretty big.

THE CHAIRMAN: You are looking for 25 to 30 years supply.

MR. BICKELL: No, we are looking for 80 to 90 years supply. I am not going to be here very long, but the plant has to run.

THE CHAIRMAN: You estimated somewhere in the neighbourhood of 20 million feet of lumber or timber that you would like to buy from the area north of Grimshaw. How great a distance would that be hauled over a railway?

MR. BICKELL: We could go up to 500 miles hauling spruce and pine and 400 miles hauling poplar by rail. That would be comparable to hauling 125 miles by truck, the same expense.

THE CHAIRMAN: I was thinking of the revenue it might provide for the railway. How much would you pay per year for carrying that?

MR. BICKELL: Right now we have shipped



as much as 6 million feet from Canuso at \$125.00 a cord. It cost \$17.00 a thousand.

THE CHAIRMAN: A little over one hundred thousand dollars.

MR. BICKELL: That is right. That is what we were paying the Northern Alberta Railway for a year, besides hauling an average of two cars a day.

THE CHAIRMAN: How great a distance was that?

MR. BICKELL: As far as Newfoundland.

THE CHAIRMAN: You paid the Northern Alberta Railway something like one hundred thousand dollars?

MR. BICKELL: For logs.

THE CHAIRMAN: How long a distance?

MR. BICKELL: Up to 175 miles.

THE CHAIRMAN: An average of 175?

MR. BICKELL: Yes, about that.

THE CHAIRMAN: There is 25 million feet, thinking of going north of here, that would travel, would you say, on an average of 300 miles.

MR. BICKELL: I should think about 350 miles the way the road runs now. There is a possibility of eventually getting a shorter road.

THE CHAIRMAN: What sort of rate would you expect to pay per thousand feet?

MR. BICKELL: It would be a little higher. Once you go up to 200 miles another



couple of hundred miles does not increase it very much, probably another \$2.00 a thousand. Poplar and spruce would not cost you as much 400 to 500 miles.

THE CHAIRMAN: Are you estimating you might pay the railway \$20.00 a thousand for bringing in timber north of here?

MR. BICKELL: Yes, at least.

THE CHAIRMAN: Would you say much more than that?

MR. BICKELL: No, I don't think so.

THE CHAIRMAN: \$20.00 a thousand, five hundred, thousand dollars a year?

MR. BICKELL: Well, I would not say you would get that much. We would kind of spread that over a year, probably get a few million a year from this area north, not any great amount.

THE CHAIRMAN: I thought you were estimating 25 million feet a year in the area north of here.

MR. BICKELL: No, probably anywhere from 51 to 10 million a year spread out to over 40 to 50 years, you see.

THE CHAIRMAN: Between 5 million and 10 million feet.

MR. BICKELL: I think that is safe.

THE CHAIRMAN: Per year that you would get from north of here if the railway were put in?

MR. BICKELL: That is only a guess.



You don't know whether people would be willing to sell it all or whether we could get timber.

THE CHAIRMAN: If you could get it you would use that much, would you?

MR. BICKELL: Yes, 5 to 10 million a year.

THE CHAIRMAN: So you would estimate, as far as your business is concerned, you are ready to use that much if available, if not available to you it is coming out and going to somebody else with a large new industry developing.

MR. BICKELL: That is right.

THE CHAIRMAN: I am afraid I misunderstood you on some of these figures. I thought you said that last year you took out approximately 10 million feet of timber.

MR. BICKELL: That is logs. Took a couple of million saw logs.

THE CHAIRMAN: You count now on doubling that?

MR. BICKELL: Yes.

THE CHAIRMAN: That is from your present supplies?

MR. BICKELL: Yes, and as soon as the railroad is in the north we would start to try and acquire timber here.

THE CHAIRMAN: Then you suggested you would double that again, did you not?

MR. BICKELL: Yes.



THE CHAIRMAN: When you double once you get 22. Double it again and you get a further 22?

MR. BICKELL: We figure about 40 to 45 million a year in, say, five years time.

THE CHAIRMAN: 40 to 45 million a year?

MR. BICKELL: Yes.

THE CHAIRMAN: How much of that would come from the north?

MR. BICKELL: I would say somewhere between 5 and 10 million a year.

THE CHAIRMAN: Then there is available to you quite a lot yet?

MR. BICKELL: Oh, yes, but then this might have to be increased too. I don't want to go too strong. I want to be on the safe side. I don't want to say we will take 20 million even though I think we might some time.

THE CHAIRMAN: You are not giving an undertaking or anything like that. We are trying to find out the advantages of the railway.

MR. BICKELL: I want to keep it at a minimum instead of a maximum.

THE CHAIRMAN: To come down to the actual amount you estimate you would take from north of here if there is a railroad, it would be between 5 and 10 million feet.

MR. BICKELL: I think that is on the safe side.



THE CHAIRMAN: And freight rate you would expect to pay somewhere in the neighbourhood of \$20.00 a thousand?

MR. BICKELL: I believe so.

MR. FEEHAN: I wonder if I could ask one question. How many board feet are there in a car load?

MR. BICKELL: Logs?

MR. FEEHAN: Yes?

MR. BICKELL: Well, there are 8 to 12 million species and where there is strapping or loading, gondolas - - sometimes strapped and sometimes not. On a long haul you strap and haul 12 million feet of pine or spruce and even 15, and probably 10 thousand feet of poplar.

MR. FEEHAN: So that if you were eventually to use 10 million feet per annum from the north part of the Peace River you would be using a thousand car loads a year.

MR. BICKELL: Yes.

MR. FEEHAN: Or somewhere in the vicinity of three car loads a day.

MR. BICKELL: When you were logging up there you would probably bring in 10 cars a day.

MR. FEEHAN: Yes, but on the average year round a thousand car loads per year would work out to three a day.

MR. BICKELL: 10 a day makes it right for one contract.



MR. FEEHAN: While you were shipping it it would be 10 a day but you would not be shipping it all year round?

MR. BICKELL: That is right.

MR. BALDWIN: Mr. Chairman, I will call Mr. Rodacker.

M. RODACKER, called

MR. BALDWIN: Mr. Rodacker, you are a business man resident in the Town of Grande Prairie and you have been there a great many years?

MR. RODACKER: Yes.

MR. BALDWIN: You have briefs there to give to the members of the Commission.

MR. RODACKER: I have.

MR. BALDWIN: Do you want to file with the Secretary?

MR. RODACKER: Yes.

MR. BALDWIN: I think you are also Chairman of the Northern Development Committee of the Associated Chamber of Commerce of the Peace River area?

MR. RODACKER: That is right.

MR. BALDWIN: And you have been closely connected and concerned with the controversial question as to the route to be followed by a railroad to the Northwest Territories.

MR. RODACKER: Yes, that is right.



MR. BALDWIN: I wonder if you would be good enough to read the brief and submissions which portray the attitudes of yourself and of the City of Grande Prairie in regard to this issue. Grande Prairie is about 120 miles from Grimshaw?

MR. RODACKER: 105 miles.

MR. BALDWIN: It is common knowledge you are on the south side of the river.

MR. RODACKER: Yes.

MR. BALDWIN: I wonder if you would be good enough to read the brief, Mr. Rodacker, please?

MR. RODACKER: "First, I would like to say how pleased we in the Peace River Country are that the Federal Government had the foresight to appoint a Royal Commission to probe and weigh carefully the arguments for selection of a rail route to Pine Point. Further, we feel confident that this commission is fully competent and will recommend the route that offers the most for all Canadians today and in future years.

I have been asked to come here today to speak on behalf of the residents of the Grande Prairie area in conjunction with the presentation of the brief being presented here for the associated Chambers of Commerce and Boards



of Trade of the Peace River Country. As chairman of the Northern Affairs Committee of the Grande Prairie Chamber of Commerce, many facts regarding the growth of the city have been made available to me.

At this time we propose to outline briefly how industrialization has started in one centre of the Peace River Country and relate it to the overall growth of the north country. This industrial growth which is vital, will be accelerated or slowed-down by the choice of rail routes to the north. The selection of the Grimshaw route will spark an "industrial revolution" in northern Alberta, the likes of which have never been seen before in this province.

For the purpose of these remarks today, we would like to date the growth of Grande Prairie from 1952 and quote some statistics up to 1958, the last year when accurate figures are available.

In 1952 the population of Grande Prairie was 2,664. In July, 1958 there were 7,227 permanent residents in Alberta's newest city, a population jump in 6 years of 271%. What caused this spectacular increase in population?

(It should be noted that during this six-year span in the Grande Prairie growth story, several sections of prime agricultural land was taken out of production -- agriculturally speaking -- and converted to industrial and commercial



uses. As the city expands, it will take with it hundreds more acres of this valuable land, just as the other large provincial centres, particularly the cities of Calgary and Edmonton, have taken whole townships away from agricultural production to make way for city growth and industrial expansion. Some of our severest critics have suggested that a new railroad north through the Peace River country will only open up vast new areas to agricultural production.)

Grande Prairie's population jump was due, in the main, to the advent of several new industries in the past six years. The lumber industry expanded tremendously with Alberta's first poplar plywood plant locating in Grande Prairie and a second planing mill going into operation. More than 400 men were added to Grande Prairie payrolls as a direct result of this expansion. A 2500-barrel oil refinery was built and went into production in 1956. Other smaller industries such as an abbatoir, an asphalt paving plant, heavy machinery distribution and servicing, and others, came on the Grande Prairie scene. These in turn generated new service businesses and the increased population made it possible for further large service businesses and stores to open in the city.

These industries have given Grande



Prairie the industrial "push" it needed to get rolling. Now several ambitious programs have reached the planning or construction stage. They include a giant pulp mill, of 450-ton daily capacity, whose initial company has been formed, and which when completed, will involve an investment in excess of \$40 million, and employ up to 2500 men in woods and plant operation; a 1.5 million gallons brewery, to serve the north, to employ up to 50 men in manufacture and distribution of product; a flour and feed plant, given green light, and have option on site; a cement block manufacturing plant; a new supermarket development. Still in discussion stages are a furniture manufacturing plant, meat packing plant and linseed oil processing plant.

The corporations and individuals who are planning these developments see the Peace River Country as a burgeoning industrial complex and recognize its importance in the whole scheme of northern development.

Grande Prairie's estimated payroll today is \$6,000,000 annually. If but one or two of the major industries planned for the area materialize in the next two years, we look to a doubling of this payroll.

In discussion of the plan to locate a pulp mill in the Grande Prairie area, Alberta



Government sources said that 'transportation factor might weigh against the Grande Prairie proposal; on the other hand the quality of the Wapiti fibre might well compensate for the distance from markets in the overall economic picture.'

During the same period of Grande Prairie's explosive population growth, other facets of the activity here have seen spectacular change. Bank clearings in 1957 reached a high of \$42½ million; 49,000 feet of concrete sidewalks were constructed; water consumption jumped from 3.5 million gallons to 7.4 million gallons monthly; the assessment rose from \$3.3 million to \$11.4 million and building construction totalled over \$10.1 million. Building permits for the first 8 months of 1959 are greater than the total for the year 1958.

While we have cited here the "growth story" of one centre in the Peace River Country we are confident that this growth will be evidenced in every large Peace River centre as new developments take place and new areas are opened up to settlement -- either for agriculture or industry. The advent of the lowest cost factor in transportation -- railways -- will bring about this industrialization quicker and more surely than any other single development.



What benefits one area, usually has beneficial side-effects on areas that are contiguous to it or are the source of supply. As one example of this I would like to cite a case with which I am familiar in Grande Prairie. A Grande Prairie firm designed and built four saw mills that cut 50% of all the railroad ties used in the construction of the P.G.E. railroad from Prince George to Dawson Creek and Fort St. John. All the materials used in their construction were purchased from firms in Calgary and Edmonton. Just one illustration to prove again that the continued expansion and rapid growth of the Peace River country will enhance the development if the supply and distribution centres to the south.

That the Peace River Country has the natural resources and raw materials to become a great industrial area is borne out again by the statement of Hon. Alvin Hamilton, Minister of Northern Affairs, who said last week that the Peace River Country was more favourable endowed for spectacular development than any other area of Canada.

We feel certain that no one will question the desirability of undertaking northern development on a uniform, well-planned, long-range basis, with benefits accruing to all and we therefore submit that there can be but one logical southern terminus for the Pine Point



railway -- Grimshaw.

Because of the permanent nature and high initial cost of railroad construction it would be a tragic mistake indeed, if a route was chosen that would be constantly vulnerable to the vagaries of our mining economy. It would seem, then, that the choice of routes can be summed up thusly: Build a railroad for mining corporations to extract minerals that may or may not be needed, or build a railroad into Canada's rich northland, through rich, settled country that is on the threshold of giant expansion -- through a country that will never produce a ghost town. Should the Government of Canada err in their choice of routes now, all that may remain as a permanent monument twenty years from now -- perhaps even ten -- would be twin ribbons of steel winding a zig-zag path through the wilderness of Northeastern Alberta.

While we realize that such an important decision as the location of the route will not be made on any single factor, we urge that the Commission consider seriously the importance of "people" and their contribution to a strong, growing northern Canada."

COMMISSIONER GAINER: There is just one point. In your discussion of a location of a pulp mill and the fact that a Government source said that the transportation factor might



weigh against the pulp mill proposal in Grande Prairie, does that have anything to do with a railroad north? Is this a kind of transportation that is limiting or transportation to market on an existing line?

MR. RODACKER: No. The inference we try to bring out there is: The Peace River country generally is recognized as a high transportation area. That was the point I tried to bring out there. Only because the quality of the fibre in the wood is possibly superior quality would it be economic to manufacture.

THE CHAIRMAN: I am not sure what bearing that has on a railway built north of here.

MR. RODACKER: I was trying to bring light on the fact that it is generally known, I think even Mr. McGregor in his Commission Report referred to the Peace River country as freight rates being high. That is what I was trying to bring out here. Even as of a couple of weeks ago an Alberta Government source stated that the high freight rate might weigh against the establishment of a pulpwood plant in Grande Prairie and then justified it by saying the quantity of the fibre in the wood would compensate for the high freight rate.

THE CHAIRMAN: Are you suggesting that building a railroad north of Grimshaw would



help get the freight rates lowered?

MR. RODACKER: I am using that as a comparison because freight rates in the Peace River country generally, whether the south or north side of the river, are considered high by many industries that might wish to locate in the country.

THE CHAIRMAN: And you have illustrated that.

MR. RODACKER: Yes.

THE CHAIRMAN: Why does the high freight rate situation in the Peace River country bear on the question of building a railroad north of Grimshaw.

MR. RODACKER: We do feel this that as more transportation becomes available - - I will put it this way - - more competitive transportation becomes available in the Peace River country the general freight structure will reduce.

THE CHAIRMAN: That is if, for instance trains were coming through the Great Slave Lake all freight rates would come down.

MR. RODACKER: All freight rates would come down.

THE CHAIRMAN: Thank you, Mr. Rodacker.

--- A short recess.

MR. BALDWIN: Mr. Chairman, I would like to call Mr. Bickell back, if I might.



JOHN BICKELL, recalled

MR. BALDWIN: Mr. Bickell, there is one point I think would be of interest to the Commission and myself. You referred to extensive operations which you now carry on and plan to carry on with regard to the operations of your mill. Would the logging part of those operations, and the mill operations as well, likely provide a fairly extensive source of off-farm employment for the agricultural industry of the Peace River country?

MR. BICKELL: Well, as far as the plant goes itself we try and keep away from seasonal labour. It costs quite a lot of money to train men but we do have about, I should judge, 10 per cent of our men in the plant who are farmers. They have small farms and they do farming in the evenings and holidays and Sundays or hire someone to do it. They don't take a permanent job at the plant. Some work and lay off in the summer for two months. I would say about 10 per cent of 145 men.

MR. BALDWIN: What about the logging operation?

MR. BICKELL: In the bush I would venture about 50 per cent that we hire in the bush are farmers. Farmers' sons that work on the farm in the summertime.



THE CHAIRMAN: You say 50 per cent of the men who work for you are from the farm?

MR. BICKELL: Yes.

THE CHAIRMAN: How many men would be employed in getting, say, 50 million feet of timber out a year?

MR. BICKELL: Oh, I would judge about 300.

THE CHAIRMAN: So that if there was to be 50 million feet of timber taken out of the area north of Grimshaw it would provide employment for an additional 300 men?

MR. BICKELL: That is if part sawed lumber and logs.

THE CHAIRMAN: Of 300 men probably half would come from the farms of the area.

MR. BICKELL: I would say at least half of them.

THE CHAIRMAN: Is it of assistance to you in your industry to have farmers living in the neighbourhood?

MR. BICKELL: Yes. You have more contented men. You get better men on the farm than the labourers who drift around. Farm boys all work whether it is saws, axes or equipment.

THE CHAIRMAN: It is quite an advantage to the lumber industry to have farmers living in the area and presumably, of course, it is of advantage to the farm to have an extra source



of income.

MR. BICKELL: Very much so.

THE CHAIRMAN: Thank you, Mr. Bickell.

MR. BALDWIN: This is a formidable group of documents which I have. I hope it does not strike too much dismay to the hearts of the members of the Commission. If I may I think I will file my brief, which you probably have here, and I will refer to it from time to time. I am going to actually use it as a base from which I will launch out into further discussion on what I hope are factual arguments in this case. If it is satisfactory to you, Mr. Chairman, I don't intend to read the brief verbatim. I will read parts, refer to it and use it as a starting point.

Now, I should probably say to start with that I immediately disqualify myself as an expert witness, either an economist, geologist, or a geographer, like Mr. Southworth, a logger or a farmer. I have had some experience with some of these things that might be good and in my favour. I disclaim expert knowledge of them.

I will start by going back to my old field, that of a question of law and interpretation of this particular reference under which you gentlemen are now questioning. I think I should add though that during the course of this investigation and the inquiry made so far there have been statements made and suggestions ad-



vanced and propositions brought before you which probably go quite outside the realm of it. I do not suggest you should not hear that. I think probably in order to come ultimately to a proper conclusion in this matter you will have to cover a great deal of territory and probably, as someone said, separate the chaff from the wheat.

I do think, however, that I should make reference to the terms of the Commission. When I first read it it gave me some concern as to just what was involved. I think probably I might be entitled to make my own interpretation of it. I will read the words: "The Board is to inquire into and report upon the respective merits of the alternative routes which may be followed by a railway line to be built from Northern Alberta to the Northwest Territories for the purpose of providing access to and contributing to the development of that portion of the Territories tributary to the Great Slave Lake".

My suggestion, which I respectfully advance, is that the real meat of what is an issue before you is to inquire into and report upon the respective merits of the alternative routes which may be followed by a railway line. Then what follows, I think, describes and identifies the type of railway line in respect to which you are to consider the various merits. This railway



line is to be built from Northern Alberta to the southern portion of the District of Mackenzie and the purpose is to provide access to and contribute to the development of that portion of the territories.

Now I will state here my own view: The latter part - - from northern Alberta to the southern portion - - identifies it geographically. The purpose - - to provide access to and contribute to the development of that portion of the territories. I think those two are in effect one and the same. There is the contention there that when you provide access to an area you immediately contribute to its development. I am saying this: This railway line, which is the subject of your inquiry, which is one that runs from Northern Alberta to the southern portion of the Territories, once it gets there does provide access to the Territories and ipso facto contributes to its development.

I am making that statement because I am not going to refer too much to this question of development. My point is when you get up there you are making some contribution to the development of the Territories. I think it is necessary to do that because I think when we get these maps before us we get a sort of "geographical rabies". We get bitten by a map. It is



not common to the people here. I have seen high prominent officials in Government centres who have had a bad case of geographical rabies for some time.

Possibly the answer we have to look into these things. It is a good thing you gentlemen have come here to Yellowknife. We get to the salty realism of the people in the north who have some conception of what is involved. That is something you lose as you go farther from here. I still include Edmonton in that particular description of the north.

Now I probably to some extent have fallen victim to that same disease. In re-examining my own brief I note that I have suggested that the northern terminus of this railroad should be the south shore of Great Slave Lake. In all the arguments and discussions which have been participated on this issue that has always been the attitude the people have taken. They have mentioned Pine Point and the south shore of Great Slave Lake. After hearing the brief submitted at Yellowknife and after hearing what has been said and having been up there I think you can say within the terms of the reference provided that the railway line was, say, terminated at Fort Providence. A line to Fort Providence would undoubtedly be a railway line to the



southern part of the Mackenzie District and would contribute and find access to the country tributary to the Great Slave Lake and contribute to development.

I am not here making any dogmatic suggestion as to the choice where a northern terminus should be. I do feel this, of course, that the proposition which gave the impetus to this railway line in recent years was the discovery and the apparent readiness of the Consolidated Mining and Smelting Company to develop its body of lead and zinc ore at Pine Point. That gave realistic consideration. It probably clothed what had been the skeleton for many years, the dream of the Peace River people, clothed it with flesh so the Government and railways were willing to give a little more consideration to this project. I am sure in your deliberations you cannot omit, with the prospect of the railroad being built into there, that it would have to be so constructed that such a route, either directly or indirectly by branch line access would have to provide access to Pine Point. In any decision you made the railway would have to be in such a place that you could, as and when required, construct a branch line at least to there.

I want to make it quite plain that to the extent my brief appears to suggest that the



only realistic terminus for the north should be on the lake I am willing to amend that. I am doing that in the light of the information which I have heard.

I am not saying that you should not go to the other places. Certainly the lower Hay River has a thriving fish industry. I think they take out nine million pounds, which yields about 2 million dollars a year. I was up there recently talking to the managers of the fish companies and they feel a line coming in close to Hay River would add several cents a pound to the net revenue they derive from that industry. I believe that nine million pounds was established as possibly a limit and maybe four or five cents a pound might be added to the 9 million if a railway line was fairly close into Hay River. Hay River is also a thriving transportation centre. Navigation commences there to the Lakes. I don't suggest for a minute we should discourage it. Hay River has logical and legitimate claims and I mention them.

Before I proceed any further I make reference in my brief, I believe possibly the people from Fort St. John will refer to it, I make reference to what I have called a compromise route and which has been referred to once by the Minister as Baldwin's compromise. I don't know whether I will get anything else out of this! Without in any way



conceding the arguments and allegations advanced by the proponents of the Eastern route when I looked at the map and considered the question of where this railroad should go, I thought to myself if the proponents of the Eastern route are correct then any material resources which would provide tonnage for the railway, and which would contribute to the economy of Canada, lie largely north of the Peace River and between the Peace River and between Great Slave Lake.

The McMurray route is proposed to follow along the river, around Lake Claire, Peace Point, Fort Smith, and across to the Lake. In all the research I have been able to make, which I think is borne out by information presented here so far, if there are the material resources which justify construction of the railroad they lie largely north of the Peace River, between Peace River, Peace Point, and the Lake and the Territories. There is the gypsum, of which we have heard, the timber along the river, the so-called potential of the pre-Cambrian Shield, and the extension of the area which might contain the lead and zinc.

I think we have discovered, at least it is my opinion which I have formed from my trip to McMurray and what I have heard there, that apart from the tar sand there is not a great deal as yet known or discovered which lies east of the Atha-



basca River at McMurray until you get up into the Peace River. It was for that reason that I had in mind this compromise as something that should be thrown out for at least some consideration. If the railroad did go through Grimshaw our known resources, as I assessed them at that time, lay principally from Grimshaw north to, say, the upper Hay River. I think that is borne out by the brief Mr. Anderson gave yesterday and the limits of the agricultural area from the west over to Peace Point. That was the reason for the compromise. I thought it would embrace the best of two Worlds. This would be the hypotenuse as against two sides of a right angled triangle. I estimated roughly an additional distance of 125 miles, which from the railroads point of view might put it out.

I did discuss the matter with some of the railroad people and they were not prepared to make any comment on it. I thought, of course, with the diesels as a cheaper method of transportation, it might be feasible. I am not offering that to the exclusion of anything else, but I simply put it forward in this way: If there is any thought of placing the Eastern route in a line north of the river this compromised route would have the effect of lengthening the railway line but would embrace all the resources which the two areas have offered as a reason for consideration



of this railroad.

I don't know if anything about the historical background of the Northern Alberta Railway is of any value. I think Mr. Bickell said something about Mr. McArthur, who was the original contractor who commenced construction of the railroad line, and he had in mind tapping the timber resources on Slave Lake. In addition to that I think it might be of interest to know, I think Mr. McGregor establishes it in his report, that the early transportation up here was river transportation. Originally the Northern Alberta railway was designed not only to tap the timber but come to what would be a feasible point on the Athabasca River and one on the Peace River and there tie in with river transportation.

I think you will remember that one of the gentlemen in McMurray in presenting his brief made some comment. I think we can take this from it. He said because there was no railway extending beyond McMurray, because there was no bridge there, that was the reason why the possible agricultural potential of the land east of the Athabasca, the land north, had never been tapped. I don't know that that is it at all. You cannot expect a railroad to impart magical qualities to a country which has poor drainage, low lying country. If there is soil there farmers find



it. That is what happened in the Peace River country.

I have some maps here. The gist of the information contained is given to me by Mr. Crookshank, second land agent in the Peace River country. He was in Grouard in 1912 as land agent for the Dominion Government and subsequently moved to Peace River after he returned from overseas in 1919. I think he probably knows as much as anyone else about the trend of settlement and why it did occur. It is not as the McMurray people suggested at all. The people came first and the railroad followed them. Mr. Crookshank was at Lesser Slave Lake at Grouard and the map he indicated to me showed a slight settlement around here and Peace River and lands along the river west of Peace River had been surveyed. There was a very small amount of settlement at Fort Vermilion. That was 1912.

THE CHAIRMAN: What was the occasion for the settlement in Fort Vermilion?

MR. BALDWIN: The settlement was there surrounding the fur trading base. Alexandra Mackenzie made a discovery trip of the Pacific Coast. He came from the north down the Peace River and then went to the headwaters of the Peace and so on to the Pacific. He had come to establish a post in 1791 or 1792 at a time when I think Ed-



monton was just being established, just in the process of establishing Fort Edmonton at that time. That was the trend of the fur trade from this country and Athabasca. It came down the Peace and then followed on.

1929 is the next map which Mr. Crookshank has available and it shows there had been a fair amount of settlement going north of the Peace River into what we call the Battle River country. I see some of the old timers here who know this country well and they will agree there has been a thin scattering settlement going on in the Battle River area. It was not extensively settled. It proceeded west of Peace River to Bear Lake and Waterhole.

I am sorry Mr. Crookshank couldn't be here. He said that they were receiving in the land office somewhere between 400 to 500, to as many as two and three thousand applications, for filing in a month. That was the pattern which was then being established for land settlement. I wanted to make this point: As to the gentlemen from McMurray, I have every sympathy for their legitimate aspirations but I think they need a highway from Edmonton first. Merely because you build a bridge across the Athabasca and build a railway to the north is not going to change the character of the land, not going to put minerals



into areas where so far they have not discovered them.

I can say this as a witness with first-hand knowledge. 1929 was when the tremendous settlements occurred in our country. It was 1929 to 1934. Possibly it may only be an accident but I think it is linked up to some extent to the considerable publicity given to the people who made the statements as to the future railroad construction and what was going to be done for the Peace River country. That coincides with a period of some recession over parts of Canada and the United States. It was from 1929 on that the big rush of settlement took place, the last one we may ever see on the continent. I was reading the other day about - - I think they call themselves fifty-niners, a small American contingent who left Detroit and Chicago to go to the norther part of Alaska in order to establish themselves on the land. They got a tremendous amount of publicity. They found they were up against hardships they had not conceived of when they left Chicago.. They decided they would do something else.

I am sure other gentlemen will agree with me when I say this. In this town we have dozens of rafts along the Peace River. The settlers constructed the rafts, placed themselves and their families and machinery on them,



floated down the Peace River and went into the hinterland and arrived at the perimeter of civilization. They went to Keg River many miles ahead of any railroad. I think they went because they thought there would be a railroad. I don't know of how much value that may be. I think it is of some significance in the light of arguments presented already.

THE CHAIRMAN: Could you tell us what reason there was for people feeling at that time the railroad might go into the area?

MR. BALDWIN: I might as well deal with that now. It is very nice to cite from your own speeches. I haven't the full verbatim from Hansard for the years 1925 to 1929. When I was in Ottawa to write some reports I had the actual citation. I will give you the years of some of the citations which I think are relevant.

Here is one reference now. Possibly, Mr. Chairman, I had better refer to the local machinery which established the Northern Alberta Railroad and caused discussions and statements by the public figures. This is chapter 49 of the 1929 Statutes of Canada, what is known as the N. A. R. Act. At that time the Provincial Government owned the N. A. R. They had taken over from the contractor and operated themselves for a while then leased to the C.P.R. At that time they were



operating it, I think. Mr. Brownlee I am sure will have firsthand knowledge of the matter. He was then the Premier. He was in Ottawa and in touch with the two railway companies. There was a division of opinion as to who would take it over. The people of the country were anxious for the C.N.R. to take it over. They felt that only through a railway that had some political tie-up with pressure to be exerted from time to time would they get this additional branch line construction that they felt was necessary and the services that they thought were necessary. The C.P.R. on the other hand was most anxious to purchase part of it. This is quite extraordinary. They did not want the line from Edmonton north.

I am afraid you will have to take my word for it that those statements are largely contained in the reports of the Committee on Railroad, Telegraph Lines and Canals in the years 1927, 1928 and 1929. Mr. Brownley was a witness. That was the impression I gathered that the C.P.R. wanted to buy this line coming to Grande Prairie and the Peace River country, because 30 years ago agriculture to them was the only thing that showed any promise at all. This was an agriculture country and they thought there would be substantial agriculture tonnage.

In any event they made one of the promises for which Governments are famous. They



brought both the railways together and created the N.A.R. and the N.A.R. Statute was the enabling Statute which made it legal and there was attached to that Statute an agreement between the two railway lines and the Government of Alberta and the Government of Canada and also between the new line to be created, the new corporation, the N.A.R. One of the things settlers had been pressing for was construction of a line from Grimshaw north and construction out to the Coast. Those were two immediate requirements. In the reports of Hansard of those years that is more than evident. When the Act was passed the two clauses provided that there must be certain branch line construction. I think it was a total of 60 or 80 miles which the new line undertook to build. In addition they were given a franchise. I think that was another promise and I think the people were firm in their demand to build north and to the Pacific Coast. The railway lines hedged with them and the Government hedged with them and they gave the franchise. They said if the two branch lines were undertaken within a period of two years they would be within the terms of the enabling legislation.

Forget for a moment the line to the Coast. Here is what was said. I am quoting from my own speech, the exact words used in the agreement:



"This new statutory corporation was authorized to lay out, construct, maintain and operate a branch line from a point at or near Grimshaw in a generally northerly direction to a point that will when surveyed approximate to a point in Township 111, range 19 or 20, west of the fifth principal Meridian, thence in a generally northern direction approximately parellel to the Hay River to the northern boundary of the said Province."

They were going to follow the Hay River to the northern boundary of the said Province. I suppose the reason for that is an inter-provincial railway. If they did not go beyond the boundaries of the Northwest Territories they might at that time have avoided complications of the Board of Railway Commissioners. That is what had been asked for. That was what was established in the Statute.

THE CHAIRMAN: Have you referred to the Statutue?

MR. BALDWIN: Yes, chapter 48 of the 1929 Statute.

THE CHAIRMAN: Could we have this excerpted from Hansard as an exhibit?

MR. BALDWIN: Yes, I will be glad to leave it with you.

I started there and continued to refer



to some of the previous contemporaneous statements made by the Government and railroad people. I should like to refer to a statement made by the then Prime Minister, Mr. Mackenzie King, speaking in Edmonton. "It is the policy of the Government of which I have the honour to be the head to introduce a vigorous policy of immigration which will people the vast areas of undeveloped country in the great west, declared the Right Honourable W. L. Mackenzie King, Premier of Canada, when addressing a mass meeting of the citizens in the First Presbyterian Church last night. The future prosperity of this country is bound up in the development of its great natural resources, and to develop these resources it is necessary to have a large increase in the population of Canada. There is to the north of this City a great tract of land that is crying out for development. The Peace River country is amongst the richest in Canada, but before the proper development of that country can take place an outlet to the Pacific Coast is an absolute necessity. I pledge myself that as soon as it is humanly possible the great Peace River country will be given that measure of railway relief that will bring to the pioneers of that country the outlet they have been so long denied, and will open up the country for prospective settlers.

The times that we are passing through are



very difficult and I would ask you to have a little patience and in as short a time as possible, a railway outlet will be provided for the Peace River and Northern Alberta District that will open up an era of prosperity for that country which will not be equalled by any other province in Canada."

I might say this was immediately preceding an election so I went to the speech from the throne that followed. I was looking for something about this.

THE CHAIRMAN: You have not been quoting from Hansard?

MR. BALDWIN: That is in Hansard.
The speech of Mr. Mackenzie King.

THE CHAIRMAN: I thought you said something about Edmonton?

MR. BALDWIN: I think that is quite right. I will have to go back. I think someone made reference to it in Hansard. The speech is quoted in Hansard as being delivered by Mr. King in Edmonton. It was quite possibly an opposition member. You can go to Hansard for that speech. It apparently was delivered in Edmonton.

Now then here is what followed in the speech from the throne: "In due course steps would be taken to further colonization and settlement in other fertile regions such as Peace River."

I would like to refer to a speech delivered in the House of Commons by Mr. J. A.



Sissons. He is now Mr. Justice Sissons of Yellowknife. I did have the citation. I think it was somewhere between 1936 and 1937. He was then referring to a speech made by Sir Edward Beatty, the head of the C.P.R. Here is what he said: "That north country needs a settlement plan and needs it quickly, and together that there should be a program of rail development.

The Peace River District impressed me most favourably, but its one major need still is that of increased settlement. I am confident that the country could absorb at least twice the population it now bears. I certainly intend to suggest to the Federal Government that it embark on a broad policy of settlement for the north. Extension of rail facilities go hand in hand with colonization. That is something that should be axiomatic."

The Honourable Charles Dunning, who was the Minister of Railways in the Mackenzie King administration in 1929, follows the N.A.R. bill through the House of Commons and this is an extract of what he said. It was a speech delivered in 1929. I haven't got the exact reference. It was during a debate and it took place in connection with the passage, I think on second reading, of this bill. That is as near as I can give you the reference.



THE CHAIRMAN: You yourself read it in Hansard when you were doing the research.

MR. BALDWIN: Yes.

THE CHAIRMAN: In preparation for the speech you gave in the House of Commons.

MR. BALDWIN: Yes. He was dealing with the particular branch lines which were authorized to be constructed and dealing with this one going to the north and with the demand made by, I think, Mr. D. M. Kennedy, who was a member of Parliament at this time, that it should be undertaken immediately. He discounted that. I think he suggested that was not possible. This is his verbatim statement: "I believe I shall live to see the day when there will be a railhead on Great Slave Lake tapping the resources of that great Northern Area." He was referring to the branch line road of which I have given you. "I believe I shall live to see the day - -". I think it is of some significance to note that Mr. Dunning died a year ago. He was still sometime from seeing his expectations fulfilled.

Now there are other statements but I think you will recognize it is very difficult to go back 25 to 35 years ago and produce people as witnesses who can come here, although not under oath, and testify specifically that they were induced to come up here by the promise of a rail-



road. What activates a man to go and settle in a country such as we have here is a complex motive.

I came up here in 1929 and the newspaper reports about railroad construction, Coast outlets, railroads to the north, were quite frequent. I was up in the Battle River country and talked to settlers there in the summer of 1929 and they told me where, in their opinion, the railway line was to go. I think their opinions were founded on speeches and statements. Those I have given you are fairly representative. I think Mr. Jason, who was here yesterday, went as far as he could. I think he was very fair and reasonable about it. I imagine you could duplicate his evidence 100 times over.

Now, having made this very round about argument I will get back now to the railroad line. I will go back to your particular functions which, in my opinion are to decide what are the merits of this particular route. I have gone as far as page 4 in my brief. My first argument is: Having established this foundation I think this will to some extent redeem the pledge which I suggest to you was made over 40 years ago and which, amongst other things, did lead to the settlement of much of the country lying north of Grimshaw. That is the areas of Battle River, Keg River and Fort Vermilion.



Now, as I think I say somewhere later on, you were not established as a Committee to make good and redeem the pledges of any Government of the past or any Government groups. It is very fortunate you are not. You would be sitting for many years. I think you cannot entirely overlook that. I think it is a very important point to consider.

The population up there now is a matter we will not know precisely until the next census. I go to the question of population later. There are a number of people up there who are descendants of those who came there in the early days. They have managed to survive, raise families, develop a great country. I think they are owed something by the people of this country. I think in considering the merits of this route that is a point which should be considered. I won't enlarge on it. I have said what I think is proper in the brief. Possibly it is not an economic argument except in the sense that if seven or eight or even ten thousand people can go up there and establish themselves, build a reasonably prosperous agricultural community at that distance from a railroad, what could not be done if the railroad was to go through there? I will go later on into the agricultural issue. If those people could do it under those condi-



could be done if the railroad had been built through there as it could be now?

THE CHAIRMAN: Are you referring to your own speech now?

MR. BALDWIN: Yes. I think I end up on that particular part of my submission by saying this: Now it appears that a combination of a number of circumstances are making it more than ever likely and feasible that the railway line will in due course constructed into that area. Even if everything else was balanced, if the scales were eventually balanced on the economics between Waterways and Grimshaw, I think you would have to weigh the scales in favour of this route so justice could be done these people. I think that sums up my argument - - if all other things were equal, which they are not.

Before I leave that there is a corollary issue arising out of it. I remember when I was in Yellowknife there was discussion as to the gold production. I believe Mr. Anderson-Thompson would have a judicial knowledge of that in any event. I think somewhere it was suggested a figure of 100 to 120 million dollars might be given as the total production over a period of 20 years. If you are dealing with economics I think I should go back to the brief that Mr. Jason filed, which was a very good brief. These gentlemen went to the



elevators, went to the stock yards, the lumber companies, and they have amassed a lot of statistics the hard way, by real slugging. I don't think it is out of the way to suggest that the figures given there represent 5 million dollars, probably more or probably less, and that is the contribution that the country north of Grimshaw made to the country in one year. That has been going on for years. 125 to 150 million dollars even on very primitive transportation conditions that did exist for many years. That is what that area has yielded Canadian economy. I am not by any means in predilection against mineral development. We will need it even more in the future. That is what that country has produced. What might it produce, having in mind the evidence given by Mr. Fischer yesterday, having in mind what will be presented in the brief, and having in mind what Mr. Bickell said today? That is as far as I will go. I don't think I wish to say anything in exact dollars and cents. It would be very very substantial.

Now coming then to the question of the agricultural possibilities, may I say that to some extent I will disagree with Mr. McIntosh. His brief was very well presented, I think, I thought it took a very pessimistic view on the question of time of agriculture production of the type we would anticipate having in the north country before it could



come on world markets in substantial quantities.

I think I know what is in his mind. This all arose following the agitation which we saw last winter in connection with the deficiency payments. I was able to assure, with regard to the Peace River country and this constituency in particular, that payments on an acreage basis were of far more use and advantage as far as dollars and cents was concerned. An argument was put up against that. That was by people up here who were sponsoring deficiency payments. If the farmers in the area of Southern Saskatchewan and Alberta cannot carry on that way and farm the type of agricultural products they had been engaged in they would be driven to resort to livestock farming. That then might create an imbalance, which would be reflected in the prospects of the Peace River farmer in marketing livestock. That is what Mr. McIntosh had in his mind. It was a view taken by his organization.

Perhaps Professor Gainer would be better informed on this. I doubt very much if the southern part of the agricultural area in Western Canada is going to be driven into livestock farming on such a large scale as to destroy the present balance that exists. I don't think the type of land has the aspects that make that possible. I may be entirely wrong on that. I don't think



it would happen.

I will refer now, in that connection, to a pamphlet I have here from the Agricultural Marketing Service, United States Department of Agriculture. It is by Mr. Rex S. Daly. It is fairly interesting. It deals with the prospective requirements of food and fibre in the United States. It starts off by saying: "The domestic requirements for food and other farm products are expected to expand around 20 per cent in the next decade and possibly around 50 per cent in the next two decades. These gains are a little more rapid than anticipated growth in population".

THE CHAIRMAN: That is referring to the United States.

MR. BALDWIN: Yes. "With a continuing prospect of fairly rapid population growth, population assumed for 1956 (193, one half million) is up 15 per cent from 1956; for 1975 the assumed level of 230 million is 37 per cent above 1956". It is quite interesting. I will file it preparatory to the argument I propose to make.

THE CHAIRMAN: That will be exhibit 17.

MR. BALDWIN: I did have a number of other pamphlets. I just cannot file them. They came together with that pamphlet and they dealt with the question of what the projected production might be.



Now, I think with that as the suggested population, these experts in the United States agricultural industry need, in order to feed that population by 1975, additional acres of agricultural land. They need to put into production 150 million acres more than what they do now. That seemed quite odd to me because of what has happened in the United States. There was this explanation to give: This chap who wrote it said you must take into consideration that some 15 or 20 years ago there were 70 million acres used to provide feed for horses and mules. They have been supplanted by farm machinery and consequently that 70 million acres have been thrown into the general pool for providing food and fibre for homes. It is that plus a series of good weather years, years where there has been good weather conditions plus a tremendous increase in technological and scientific advances made by people in the United States plus what I will refer to as a program of stimulation in the United States where it is in a position of surplus as regards cotton, wheat, and corn. I will ask you to take my word for the figure I have given you of 150 million acres being required by 1965.

THE CHAIRMAN: 150 million acres in addition to what they now have.

MR. BALDWIN: Yes. Before you get



that solidly in your mind, Mr. Chairman, they say they cannot find that. The best they can hope to secure is 25 million acres. They plan to make up the balance by still further technological improvements, better treatment of the soil and seeds and so on. They think that by 1975 they might feed that population, even though they only get one sixtieth of the land which they require. They will have other methods which will be utilized for that purpose. Where do we go from 1975?

THE CHAIRMAN: To what are you referring?

MR. BALDWIN: A series of pamphlets appending this one. They can be obtained quite readily, if the Secretary is interested, from the Agricultural Department. I think it is on the front page there. There were a series of pamphlets put out, I believe, in 1956 dealing with the projection of population and food production. As a matter of fact they are correlated with the Taylor Report, which was also projected to 1975. If I find them I will send them to you.

THE CHAIRMAN: Sometimes these things go out of print.

MR. BALDWIN: Certainly when I go to Ottawa I will be able to find them and send them to you. If you think it of sufficient importance



you can write.

THE CHAIRMAN: They come from the same Department as the one you have given us.

MR. BALDWIN: Yes.

COMMISSIONER GAINER: Do you have any indication, Mr. Baldwin, how that figure corresponds with the Taylor Report projection?

MR. BALDWIN: Well, if I remember rightly I think the population figure of 230 millions is correct. I think there has been some divergence. Some people say it is less than that. I think it depends on the rate of acceleration.

COMMISSIONER GAINER: I think it is correct to say there were many materials that were thought to be more urgently required than agricultural products. Would that be your impression?

MR. BALDWIN: As a matter of fact, I will file with you some pamphlets, briefs and papers, read at the Annual Meeting of the Society Mining Engineers of AIME held in San Francisco, February the 15th of this year. Throughout all those people disturbed the projection of the Taylor Report. The Taylor Report is probably no more sacrosanct than the material from the Department of Agriculture.

With regard to the possible potential in the Fort Vermilion country, in the whole of



the Peace River country it is a notorious fact today that we have been compelled, we have been driven to resort to more varied and diversified agricultural economy. The area around Grande Prairie and McLennan is the area from which the world wheat champion came. Others around here are constantly winning all the prizes at the world shows. To some extent they have gone in- to the production of legumes, grasses, and seeds. These seeds are required outside the Peace River country in large quantities. I am hoping to call in Edmonton a commercial seed buyer who has lived in this country and who has knowledge of the possibilities for production in the Fort Vermilion and Keg River areas. He is dealing with seed buyers of other lands. The last time I saw him I met with him a gentleman from Japan with whom we have been attempting to negotiate to sell a large quantity of seed. I hope he will be able to come and give testimony to help you gentlemen learn about the prospects of the country north of Grimshaw. In that regard I should say that somebody did say yesterday that the farmers up there have been driven to that because of the cost on flax and, to some extent, wheat. It provides a fairly substantial revenue with a little less bulk than some other commodities. I am quite sure if the railroad was up there - - here again I go on what



I have listened to in my travels up there - - you would find a lot of the existing farm cultivation and the new production would be directed to that form of agricultural industry.

Now, in that regard Mr. Anderson's brief yesterday gave a fairly large area in the Fort Vermilion country which, in his opinion, could be settled. I think it is of some significance when you come to assess how much there is there to examine this booklet Exploratory Soil Survey. It was recently completed by the Research Council of Alberta and covers certain of the map sheets 84-D (North half), 84-E, 84-F, and 84-G. For the matter of comparison to the McGregor Report I think it pretty well covers the same area in giving the figures in relation to Improvement District 146, which is west of the river, and Improvement District 145, which is east of the river. Mr. McGregor gave the potential arable land which could be brought into production at approximately 280 or 290 thousand acres. This booklet, having completed a more comprehensive Alberta study, brings the quantity of arable land which could go into production at almost 2 million acres. Now, of course, that is arable land and they go on to deal with doubtful arable land and the distance from market. Almost 2 million acres is given as the area which could be brought under cultivation. I



am sure Professor Gainer could analyse it and come up with some interesting information. I wanted to make this comparison with the McGregor Report.

THE CHAIRMAN: Could you tell us what pages?

MR. BALDWIN: You will find them all turned down here. Now that shows a lot of land up there which may be anywhere up to 40 to 50 miles from the railroad on either side. I think you brought up the question as to how far the land in Fort Vermilion would be from this railroad if it went by the western route.

Now, in that regard you will find in that report from Hansard the statement I made at that time with regard to the distance from railroads at which we could economically farm. That is a booklet written by two professors a number of years ago. In their opinion they say 20 miles is the farthest distance from a railroad you economically farm. I think that is obsolete now, having in mind the type of motor vehicles and roads which we have. I think you could double that.

Now at Fort Vermilion, the area here and down here, the Buffalo Head Prairie area, these people are farming and have built up elaborate and excellent farms. They have to first go up to Fort Vermilion, cross on a ferry, which at certain times of the year, particularly in the Fall by reason of the freeze-up conditions, is very chancy



and they still travel down here. In spite of that they have managed. I don't think they have much in the way of cash but they have managed the hard work, industry, and perserverance.

I am offering that as 40 to 50 miles from a railway is the distance from which you might farm. No doubt everyone would prefer to be five, ten, or fifteen miles. If you have the road facilities you can carry on an economic farm.

--- A short recess.

MR. BALDWIN: I will very briefly conclude with regard to this question of the agricultural aspect by saying this: This surplus problem is, of course, an artificial one largely prompted by conditions that existed in two World Wars, which prompted some of the European nations to artificially stimulate their production, and particularly by the political issue in the United States. Everyone is able to form as adequate an opinion as I am. Mine is this: Conditions politically in the United States might come to a reasonably quick end, because I think so many of the people are beginning to realize what it is costing. I just offer that as an opinion. Agriculture countries might well be permitted before too many years pass to take their proper and natural economic position. If that happens to be the case those commodities which we can produce I think as cheaply and as well in the Peace River country will



have an even greater opportunity to find natural and logical markets. That is purely speculative. It is purely political. That is what I feel about the situation in the United States from all current reports.

THE CHAIRMAN: You are referring to the Government bonuses to the farmers in the United States.

MR. BALDWIN: Yes, where they give it to countries and take foreign currency. There is a tremendous cost and burden placed on the American treasury and it is having repercussions in the minds of the consumers. I think before too many years pass that situation will be rectified.

THE CHAIRMAN: You think they will have less production in the United States?

MR. BALDWIN: Less production in the United States.

THE CHAIRMAN: And consequently bigger markets for Canada.

MR. BALDWIN: I am sure we can engage in an argument ad nauseum on that.

THE CHAIRMAN: I wanted to make sure that is the proposition.

MR. BALDWIN: Yes, that is it. There is another point I should mention and that is this: Up until recent years the policy of the Canadian Farm and Loan Board has been such that hardly any



area north of Grimshaw had been considered as land suitable for loaning. Under arrangements in the last years that has been extended. The figures will indicate that the Canadian Farm and Loan Board have placed loans in that area and the Provincial Government has followed with a similar scheme. The loans are quite extensive, I think. The new legislation - - I am trying to view this from an objective basis - - of supervised farm credits administered under the Veterans' Land Act, with their assistance, is just the sort of thing the country north of Grimshaw agriculturally has been wanting for a long time. I think it will have a tremendous effect. It is a scheme that will be supervised. The scheme is put before the Board and they approve it for the farmer to carry on his operations. And these loans, which are coming to the country, will permit many farmers to carry on if they feel there is going to be a market accessible, in the sense that the railhead will be accessible to them and they will take advantage of the loans. I offer that as an aside.

I will go from that to the question of the lumber and the pulpwood potential. I think I start on page 12. By the way, I am skipping over a lot of my brief. I want to say here with regard to the agriculture how closely Mr. Anderson's thinking and mine are together on that. I did not know



what would be in his brief. I discussed the matter with him but the details I did not know.

I indicated on page 11 that we could well anticipate 4 to 5 thousand new units of production in the area concerned. I think you will remember that Mr. Anderson said 5,000. I also pinpoint the possible places where we might anticipate communities would spring up if the railroad was built to service these agricultural communities. I distinguish it from the timber operations. They are all referred to on page 11 of my brief. Knowing those areas are there and those localities and the present population, what might be anticipated to go in there, I will give you a population of say, 5,000 people to go into these communities to give service to the agricultural industry.

Now, I am going on to the question of lumbering. I would like to first refer you to what has already been brought very briefly to your attention, the comparative resources of the two routes. I do that because I think you will find the railway companies may well take the position there is not much to anticipate on this side. That is something I find hard to understand, where they derive that impression from.

Page 20 of the McGregor Report is the map to which I have already referred you. It divides Northern Alberta Forest District into four areas: Peace River, Lac la Biche, Slave Lake,



Grande Prairie. Taking Lac la Biche and Peace River alone and going back to page 49 there is a table which is apparently taken from the official forest inventory, which he obtained from the Department of Lands and Forests for Alberta. I think that is a fairly accurate compilation. This table number 10 divides the total volume of timber in Northern Alberta between four forestry divisions and gives the type of timber, whether pulp or saw logs. That goes for the Lac la Biche Forestry Division, which includes some of the McMurray area, everything north of it and south, a total of seventy-one million, seven hundred and eighty-three thousand cords of pulpwood and five billion, six hundred and fifty-two million board feet of saw logs.

As I say in my brief that does not tell the whole story. If you carry on to table 11 you will see what has been set out as the annual allowable cut. Mr. McGregor explains how that is worked out with the potential of the timber we burn and so on. That is the annual allowable cut in each forestry division. They break that down into sub-areas. You will see that Peace River area is sub-divided into areas 1 to 8, etc.

If I might direct your attention to Lac la Biche you will find that area 1 has by far, by an overwhelming margin, the greatest volume of timber, both of pulp and saw logs. Area 1 gives



the annual allowable cut, which must be related to what the Provincial Government will allow to be cut, and gives a total of 52 million board feet which could be cut in a year out of the total allowable cut of 91.

In other words, well over one half of the timber which could be cut for saw logs, used for saw logs in the Lac la Biche area, is in area 1. Area 1 is all the area south of McMurray already served by the existing railroad.

Area 3 is east of the Athabasca. I suppose it may be of some value. Area 2 is the area through which the railway travels. Areas 4 and 5 on each side of Lake Athabasca. I suppose the railroad will have no value to that. In area 2 and 3 the total allowable cut is 24 million a year. The total annual allowable cuts for areas 2 and 3 is pulpwood 350 or 360 thousand cords.

On the other hand, so far as Peace River is concerned the only area in the Peace River Forestry Division, which is presently served, that is where there is a potential of being served by the railroad, is the area west and north of Hines Creek. Hines Creek is not shown on the map. It is at the extremity of the present terminus of the N.A.R. north of the river. There is a fair logging business carried on there. All the rest of the area in that division, except probably



areas 4 and 5, even they may be, all the rest would probably be served by this railroad through the west.

On the same basis of comparison if you will turn to page 49 again you will find that even if you have excluded areas 4 and 5, and possibly part of area 1 served by Hines Creek, that the largest part of the Peace River Forestry Division will be greatly assisted and the economy of those who work in it would be facilitated by the construction of a railroad west of the Lac la Biche area. The greatest volume lies south of McMurray and would not be assisted by construction of the railroad going north from McMurray.

The Peace River annual allowable cut is 133 million saw logs, as contrasted with two million, four hundred and forty-one thousand cords of pulpwood. You have had some evidence here from Mr. Bickell, some from Mr. Fischer, which I think confirms that. I am making a point of it because I am convinced that unless the leopard changes its spots the railway companies will take the position they cannot anticipate any tonnage from the lumbering business so long as their railroad is cutting off at Grimshaw. That is why I am enunciating that point here.

THE CHAIRMAN: Mr. Baldwin, you don't refer to lumber in the Wood Buffalo Park.

MR. BALDWIN: I am coming to Wood Buffalo



Park. I don't know what you gentlemen have available to you for the volume of timber in there. Last year I was on the committee of Mines, Forests and Waters. We were then taking estimates of the Northern Affairs Department. Mr. Coleman, I think, is director of that Department. I think it was July 9th or July 10th. I asked Mr. Coleman if he could give me any assistance as to what the potential would be, what the volume of timber would be in Wood Buffalo Park. He was not able to help me. The next day he came back and his answer then was he thought it would be around one billion, eight hundred million board feet of commercial timber. I estimate that would include both pulp and saw logs in the Wood Buffalo Park, of which over one billion, two hundred million were along the Peace River. Now, I don't know whether that is compiled from proper official inventory or what it was. That was the information he gave me.

If you take that even as an outside figure and add that to what is available in area number 2, part of area 3 in McMurray, and contrast it with using the tables I have pointed out to you on what is available and the annual allowable cuts north of Grimshaw, it should be that we can say there is one half the production could be on our side. I think that Mr. Bickell and Mr. Fischer have more than borne that out. I have reason to believe that some of the briefs which will be



filed with you gentlemen will carry that a step further.

COMMISSIONER GAINER: Mr. Baldwin, in referring to the Peace River Forestry Divisions here it appears that area 1 is by far the heaviest concentration of logs.

MR. BALDWIN: That is right.

COMMISSIONER GAINER: That is the area into which the lines to Hines Creek already run on the southern edge.

MR. BALDWIN: That is right.

COMMISSIONER GAINER: That is one area that is probably served, you might say, at the present time.

MR. BALDWIN: May I say this, Mr. Gainer: The railway line passes far south of that park land, only touches the park line at Hines Creek. The only part of Hines Creek well served is the area west to the British Columbia border, not a very lengthy distance to the north. Most of area 1, if you go and find the map with the railway on it, you would see the railway line is some distance south of the southerly limit.

COMMISSIONER GAINER: How far would you say the northern limit of area 1 would be from that line.

MR. BALDWIN: It comes up very close.

COMMISSIONER GAINER: Would it be more



than 50 miles?

MR. BALDWIN: Comes up beyond Keg River.

MR. FEEHAN: I think Mr. Gainer may be looking at area 1 for Grande Prairie. Area 1 of Peace River is directly north of that.

COMMISSIONER GAINER: No, starts at the latitude straight west, Peace River.

MR. BALDWIN: You see that dotted line between area 1 and area 8. I would say that would be 125 to 140 miles.

COMMISSIONER GAINER: Other than that area the allowable cut falls off very rapidly.

MR. BALDWIN: Yes, except if you look at the forestry map, which is in the McGregor Report. You will see a large concentration in a small area. I think it is in area 6.

COMMISSIONER GAINER: Area 4 perhaps.

MR. BALDWIN: That is over 60 feet in height. I think that is considered as being very substantial.

COMMISSIONER GAINER: This was something I wanted to clear up. Generally speaking, in poplar and even for pulpwood and saw logs timber, it appears that the heavy concentration at least would be roughly straight west of Keg River and south of it.

MR. BALDWIN: Yes, and in that area that I mentioned north and west. That, I think, is spruce north and west of Fort Vermilion. It



is shown on the forestry map. That would be area 6. I might say that I travelled up the Mackenzie highway and I understand that the Imperial Lumber Company has taken out a fairly substantial berth in the Steam River area. Mr. Fischer is probably operating mostly in area 1 now. Mr. Fischer gave evidence yesterday that he was operating in area 1. There may be one or two people in area 10 or area 6.

As was pointed out by Mr. Bickell there is a limit in the hauling where it becomes uneconomical. I suppose that is one reason why there has not been much carried on in logging operation beyond area 1, plus the fact that area 1 seems to offer excellent economic opportunities.

Hines Creek area would only serve a limited area. The Clear Hills, which extends so far, might well form a northern perimeter for the Hines Creek operation. I think a lot of timber comes from west of Hines Creek and some from the north.

Have you any more questions on that, Mr. Gainer?

COMMISSIONER GAINER: No, thank you.

MR. BALDWIN: Going back to Wood Buffalo Park. I suppose you gentlemen here are not a Court of Law and I am not going to argue too extensively on the issue of whether any of these com-



panies who are in there should be in there or not. The state of the law is just as much an issue as the state of the land and the state of the timber along certain areas. It does apply and I will enlarge on that with regard to the minerals.

The point is that these two lumber companies now operating in the Wood Buffalo Park are, in my opinion, as I have read the Act, completely contrary to the spirit of the Act. They are in there under orders-in-council. I make this comment and I think I have to deal with the question of legality to enunciate my point. They are in there pursuant to orders-in-council passed in 1955 and 1956 and up to March, 1957. The Order-in-council, I think, deals with the annual potential. It is certified to be a true copy of a minute of the committee P.C. 56-794. Application has been made by R. B. Denny for permission to cut timber. It says there is one parcel containing approximately 192 square miles and another containing approximately 24 square miles which together contain approximately 700 million feet of board measure of mature white spruce and approximately 150 million mature poplar. That is this area, gentlemen: From 112 right along both sides of the Peace River to the Western boundary, which is 114. That one company was granted all the rights on both sides of the river including islands. That is one order-in-council alone. It goes on to



say that the Minister of Northern Affairs be authorized to offer for disposal by public competition mature, over-mature, damaged, or dead timber. That is what these companies are given the right to take - - mature, over-mature, damaged, or dead timber. Extraordinarily enough they are given the right to do that for 21 years with the right to a further term to be given for a further 21 years.

I am not a lumber man but I do know this: I think if it is mature and over-mature timber you won't be cutting it for 21 years. However, if you take it on its legal face they are only allowed to take mature, over-mature, and dead timber. How many years, if this was interpreted correctly and they were compelled to rigidly adhere, how many years would they be there? How many years does mature timber stay in a situation where it is practicable to take it out? I think that is one aspect that deserves attention if Wood Buffalo Park is to be an issue on this and they are only allowed to take mature and over-mature timber. This is not a question of sustained yield.

To that extent it becomes of interest to know the section of the Act under which the regulations were passed. It simply says: "The Governor-in-council may make regulations permitting the granting of timber berths to log mature, dead, and such grain timber as may be re-



quired for protection and management of the forests." This is a National Park and the design of a National Park is to perpetuate it for the use of the people of Canada from now on to infinity. Yet I say this is contrary to that and the granting of reserves of one and a half billion feet of board lumber is not in the interest of protection and management.

Let us assume I may be wrong. Judges have told me I was wrong before. I do say they are limited, having in mind they are limited to mature and over-mature. Where is the sustained yield basis necessary to build a railway? I think that point should be taken into consideration.

Whereas on this side you have an area which, under proper forestry management such as we have in our province, can anticipate year after year a good crop of timber there. It may be something the railway will anticipate receiving a revenue from for many years. I should say here that I am not against the country requiring timber resources. If it should be developed that is fine. I think this that under the Statute under which the natural resources were transferred from the Federal Government to Alberta in 1930 there is an agreement which says that the natural resources which are to be transferred shall not include national resources in any national park. Consequently, although the Wood Buffalo Park is to



the extent of some five sixteenths in Alberta the natural resources in that area still belong to Canada. This agreement says in section 14 that if the Parliament of Canada should decide, or come to the conclusion, that any area in a National Park is not required for the park purposes they may make a declaration of any area and the resources shall go back to the Province of Alberta. I think that probably raises some doubt as to the status of the areas. How correct has been the Federal Government in the past in transferring them to private individuals rather than the Province of Alberta. However, that will be decided later and I think it is an issue which should be before you gentlemen.

THE CHAIRMAN: Your proposition is this: That the Government, the Federal Government, did not have the right to give that permit.

MR. BALDWIN: No, by order-in-council without having amendment to the Statute.

THE CHAIRMAN: It is a Federal Government Statute.

MR. BALDWIN: Yes.

THE CHAIRMAN: Then there is an agreement between the Federal Government and the Provincial Government that if the land is not required for park purposes then the natural resources revert to the Province?



MR. BALDWIN: The wording of the section is: "The Parliament of Canada may make declaration". I think the obvious intent is that when a certain area is not required for park purposes it says the National Government may make a declaration the land go to the Province.

THE CHAIRMAN: Rightly or wrongly the order-in-council has been passed and the lumbering operations are now carried on.

MR. BALDWIN: Yes. I still say it does throw some cloud on this issue. This may get to the point that there may be some question in the future how long they may carry out operations. Apart from that entirely the thing is they are only authorized to cut timber, mature, over-mature and dead. Consequently you have not got a situation where there will be a sustained yield cut.

THE CHAIRMAN: The right the logging company has has never been challenged.

MR. BALDWIN: I challenged them this year.

THE CHAIRMAN: No-one has ever applied for injunction.

MR. BALDWIN: No. Maybe some citizen of Peace River will lend his name to a leading cause. It may come before you as a Judge of the Supreme Court some time. Maybe somebody here has money to back up his contentions. I say there is



a cloud there. I really rely on that as a point from which to say what can you anticipate realizing by way of tonnage when if all they can legally cut is mature and over-mature timber?

THE CHAIRMAN: Suppose all statutes were amended to leave an area open for exploitation? Certainly between two governments that could be done. What sort of timber resources are there there?

MR. BALDWIN: One billion, eight hundred million in along the river, one billion, two hundred million, if you add that to area 2 and part of area 3 and McMurray, and if you take this, excluding around Hines Creek, I think the west outweighs the east two to one. You start off with the fact the Peace River Forestry Division has a grand total of ten billion, of which only a small fraction is accessible at Hines Creek. The logging operations are scattered, whereas at Lac la Biche Forestry Division well over half is already serviced.

THE CHAIRMAN: What is west against the east now if you construe the order-in-council as legal?

MR. BALDWIN: I don't know that. I don't know, if you have a total of one billion, eight hundred million, what are the normal percentages you would expect to be mature and what green. Mr. Coleman, the Forestry Director, told



me the total resources were one billion, two hundred million commercial timber. Then we find orders-in-council giving well over one billion of that to one company. Surely a very considerable portion of that lumber must be green?

THE CHAIRMAN: We will go into that in more detail in our hearings in Edmonton. Are you going to be attending the hearings?

MR. BALDWIN: Yes, I would not quit now.

I will end this by saying I don't object to logging that area. I don't object to the position of the McMurray people. I can understand and sympathize with that with regard to the logging and suggested mineral resources. I think that it should be borne in mind that there is no reason a few greedy and grasping people should benefit from opening up of a national park at this particular time. I was reading not so long ago about some history of Harold L. Ickes. He referred to issues of this kind, the red wood in California. I suppose the same argument could be made there. It was an issue that he was successful in confining the use of national parks to what they were originally intended for.

I think there is a term we use here "un-earned increment". If the Government is going to spend 80 to 95 million dollars to build a railroad and there is going to be un-earned increment come to the people along the east or west route, I think



if there is going to be such un-earned increment it should go to the largest number of people instead of a few individuals who might stand to benefit.

I will try and run along fairly quickly with regard to the question of minerals. I don't know whether I can say much more on that. I think we thoroughly exhausted the iron ore. That has been dealt with.

Some point has been made about building a railroad when there already is a highway through western northern Alberta and leaving nothing to the east. I would call your attention to the fact the program between the Provincial and Federal Governments does include an addition to the Mackenzie highway. It is another project which consists of an all-weather road, not up to the standard of the Mackenzie. It will be High Level, traversing the area north of Peace River, come up to Peace Point and thence up to Fort Smith. Part of that has been constructed. It will come down to this area, which nicely serves the Denny project. It is intended to come to the Fifth Meridian, where it will meet the road to be constructed by the Provincial Government. Quite a bit of it has been cut out. There will be a road which will provide a service and I think as soon as that is completed, and I don't imagine it



will be too many years, the residents of Fort Smith will have immediate access by car to the highway system of this continent. So the suggestion that no access at all has been provided for north-east Alberta will not be correct in a year or two.

Now I pass over the question of the energy resources. I think there will be evidence given by experts. I think the McGregor Report sets it out. According to the McGregor Report he projects that by 1980 that the established resources of petroleum and natural gas which will be recovered by orthodox means along the western part of Alberta - - I think he restricts it to Alberta - - the annual projection is based upon a market of 60 million barrels of petroleum and a very substantial amount of natural gas. This is in my brief. I can tell you I took it directly from the McGregor Report. It gives the production of natural gas and petroleum and from what Mr. McGregor refers to as northwestern part of Alberta. By 1980 I think it is 150 to 160 millions of dollars.

Now, I will file at this point, if I may, these pamphlets to which I made reference earlier. I won't take time to read them. There are a number of papers which were read at the 1959 annual meeting of the American Institute of Mining, Metallurgical, and Petroleum Engineers, held February 15th, 1959. They are largely directed by the people who wrote



who seemed to be eminently qualified.

Daly's report projected the requirement of the continental United States to 1975 and contrasted with what they estimated would be the production they came up with the conclusion - - I think it is based on a year 1950, which was a peak - - within a period of 25 years they were going to need an awful lot of strategic minerals. It is best to get cracking right away. That was what was responsible for the accelerated pace which Ottawa and the Department of Northern Affairs took in connection with these northern development programs.

Now just summing up, these people say, taking the light minerals like aluminum, where there is very extensive industrial use, the consumption has been greater and the source of production has been increasing but they think they will live up to expectations. Lead and zinc were a couple where consumption has been greatly over-estimated. They have tied that with the recession. The consumption has been greatly over-estimated and the sources of production had been enlarged. The United Nations Committee recommended to lead and zinc producing nations that there should be some curtailment. I don't know whether the gentlemen from British Columbia were able to find any material on that.



The point I make is this: if this railroad had been built the eastern way, say, five or six years ago, for the purpose only of taking out lead and zinc in that mine at Pine Point what would its position now have been under those circumstances? I simply say that in coming to a calculated view of any railroad I think the greater diversity of production that you can devise for the use of that railway is something to be desired. That is what I think we had in the west compared to the east.

That report also says that in regard to sources of energy - - electrical energy, petroleum, natural gas - - there the situation is reversed. They estimated the United States would require far more electrical energy than anticipated and the same applied to petroleum and natural gas. Consequently I think that is of some consequence. It does underline our position in the west of Northern Alberta as being that area more likely to have gas fields and oil fields. I don't want to be caught in the same trap as the man who said, "Because it is here and here it should be here". If you read that in line with the McGregor Report it does enunciate the importance of potential producers of energy for the United States, which it is going to require.

I make a point as to the question of people. I suggest, and of course it is a matter of what the next census will indicate, that we have between 100



and 110 thousand in that area, including the part of Northeastern British Columbia which meets the Peace River and the Peace River country. That is the largest population in any comparable latitude in Canada. If we are going to have a secondary industry coming in here, I am referring to what Mr. Rodacker said today, if it is possible that some of this iron ore, and lead and zinc are going to be taken out from the areas north of here, it might well be they should be processed in our area. It is a point to consider because if so we have the population and latent potential forces which would be available for that purpose. In regard to that population I don't think there is any doubt. My travels through the country, in the northern areas particularly, show me that where there were 10 or 15 or 20 people there are now 30 or 40 or 60. I think you will find a substantial increase above the 1956 census. That is purely speculative.

The last point I should make is probably a summary of all this. Maybe I am taking a different concept of that. There may be a deep ideological chasm between myself and some of the people of the Peace River country, on one side, and those who think of development in different terms. I feel this: in the past we in the Peace River country have been used by the railroads. I think it is about time we used the railroads, put



them in their proper prospective. I don't think the Northern Alberta Railway has done too badly out of this country. I say that anticipating what may be said by the railway companies.

On March the 10th I spoke in the House of Commons and then filed the financial statement of the Northern Alberta Railway over 17 years. It shows they had a total net position gain of 85 thousand dollars. I hope the Secretary examined that particular chart. It contains certain figures on the basis of a loss on a non-operating basis, which was quite incomprehensible to me. There were years when there would be a profit of five to six million dollars, during the war years, and then there would be this non-operating loss schedule, which would be twenty, thirty or fifth thousand dollars of what the profit was. I do know we rent its rolling stock from the companies and pay so much a year for that. I don't think the railroad have lost any money on the Peace River country. This railroad, when it is being constructed, for that reason should be constructed with regard to the people of the Peace River area.

It may well be that fifty years from now that railroads may be not required. They may be busy looking for new sources of transportation. The people in the Northwest Territories may require air strips or dirigibles for their development. If we have a railroad construction, which will serve



the purpose of developing the northern part of Alberta and bring people in here and build up an industrial complex, even if we can throw it away at the end of fifty years, it will have served its purpose. It will be an expendable commodity.

My position there is this: I think I end my brief by saying that the ultimate objective of any scheme of this kind must be the creation of a better environment for mankind as a whole. I think we will have achieved a very worthy and desirable purpose if we can build up a system of settlement in community life up here with the development of agricultural and timber areas and businesses, which will enhance the economy of Canada.

Just to conclude, Mr. Chairman, and I think it is a very pertinent issue. The other day I was down outside the Anglican Church and saw a statue erected there to Mr. Lorne, a great pioneer of this country. It referred, amongst other things, to what his achievements were and paid tribute to his qualities of endurance and the vision of the pioneer who pushed hundreds of miles northwest to promote an agricultural community. I think in the final analysis that the course of this Commission is to take a position which will underline and illustrate that viewpoint.

That is all I have to say here, Mr. Chairman. I suggest I reserve the right possibly to call



two more witnesses in Edmonton and make some comment there. I will be present at the hearings and I can pursue some of the points.

THE CHAIRMAN: You read us an Order in Council, part of it. Would you mind having that marked as an exhibit. You have some other documents you are referring to?

MR. BALDWIN: Largely my notes.

THE CHAIRMAN: Mr. Baldwin, you have given us a very helpful brief. We are glad to know you will be with us in Edmonton when we go on further into these matters. We all feel that we would like to have an opportunity of asking you some questions then after we have read the exhibit you filed and heard some further evidence. We will not question you now, but we hope we will have the opportunity of doing so upon some of these ideas you have opened up.

Now we have one further brief from Fort St. John. I think Mrs. Murray and Mr. Swertzer will combine in making a presentation of that brief.

MR. SWERTZER: I would like to introduce Mrs. Murray who will present the brief on behalf of the Fort St. John Board of Trade.

MRS. MARGARET MURRAY: We feel very fortunate indeed to be able to come down and present this brief. We are probably like the poor relations. We really have not much to say on any-



thing that might happen until it gets to Grimshaw. We at least have to have a link to hook us up. Of course, we are for the Grimshaw route. Naturally we think it is of more benefit and that everybody will benefit by it. If you will bear with me I will read this.

THE CHAIRMAN: You are quite at liberty to expand on it.

MRS: MURRAY: This is from the Fort St. John District Board of Trade. We only have about 90 members and we are glad to have Mr. Swertzer, who is the Mayor of the town, come along and give us an endorsement. We have an exhibit showing the missing link. We have an exhibit of the available lands in the section that would be served by the link that would hook on from Hines Creek on to Fort St. John. We have also presented the oil graph showing you the most recent months of June with regard to production and drilling of oil in our country. We do not present a picture of the Alaska Highway. It is not marked on the map. We think we also have that as an inducement for you, sir, when you are naming where the railway will start. It all tends to develop the north country.

"To the Honorable Mr. Justice M.°E. Manning, Chairman, Royal Commission, Great Slave Lake Railway - A memorandum from the Fort St. John, B.C., and District Board of Trade. Honorable Mr. Justice M.E. Manning, Chairman, Royal Commission



on the Great Slave Lake Railway:- The Fort St. John and District Board of Trade herewith submit to your honorable body a memorandum respecting the proposed route of the Great Slave Lake Railway.

Enclosures: Exhibit A - Map showing "missing link" between Hines Creek, Alberta, and Fort St. John, B.C.

Exhibit B - Map showing available farm lands in B.C. Block tributary to proposed rail extension Hines Creek, Alberta to Fort St. John, B.C.

That the Pacific Great Eastern Railway now completed to Fort St. John by the Province of British Columbia offers the shortest and most economical route from the north banks of the Peace River to Pacific tidewater.

That the British Columbia railway must soon be extended to join up with the Northern Alberta Railway at Hines Creek, Alberta, thus furnishing ready-made a funnel through which commerce from the Northern Alberta - Northwest Territories region may be conveyed to the Pacific ports.

We therefore favour the construction of a link with Great Slave Lake from a point on the Northern Alberta Railway north of Peace River. Our information is that Grinshaw is the logical point from which construction north should be launched.

Oil Resources: The Boundary Lake field in British Columbia, located west of the Alberta,



B.C. border produced in the year ending June 1, 1959, 400,000 barrels of crude oil. This and the Milligan Creek field is being extended. Between Fort St. John, B.C. and Hines Creek, Alberta, there is already in existence a need for modern transportation facilities for crude oil. Proven fields to the north on both sides of the boundary call for rail transportation. In this area nine new wells were recently brought in. (See Exhibit A).

Saving Freight Charges: Construction of the link between Fort St. John and Hines Creek would save shippers at Dawson Creek, Fort St. John and Hines Creek costly trans-shipment charges.

Oil companies would enjoy a special advantage in that shipments might be continued from or to Edmonton or Vancouver to any point on a loop system including Chetwynd - Dawson Creek - Grande Prairie and way points - Peace River Crossing - Fairview, Hines Creek - Fort St. John and back to Chetwynd.

Pulp and paper inevitably will be produced on the Upper Peace and such industry must be given ready access to the consumers of newsprint and other paper products on both sides of the Peace River and in the natural markets of the Middle West.

A north side route would also provide our Peace River Block in B.C. cheap means of trans-



port for sulphur products, commercial fertilizers and by-products of the gas and oil industry which can be manufactured when Peace River hydro electric development makes available upwards of 3 million kilowatts at the Peace River Canyon.

It would provide the necessary link from the rich farm lands on both sides of the 120th meridian to growing consumer populations around industrial plants on the upper river.

Oil Consumption: It is estimated that there has been hauled by truck from Grimshaw northward over the Mackenzie Highway gasoline and fuel oil consignments totalling as much as three million gallons per year. We suggest that with the Hines Creek-Fort St. John rail link completed, this volume could be supplied by the McMahon refineries now conducted by Phillips Petroleum of Bartlesville, Oklahoma, by tanker car from Fort St. John. The supplying of the missing Hines Creek-Fort St. John link would open to the entire north side of the Peace River and much of the south side a market for Peace River's own petro-chemical products direct by rail from Fort St. John.

Smelter Development: We are advised by competent authorities that an ideal site for a smelter is at or near the Alaska Highway on the banks of the Peace River. The availability of cheap fuel - gas, oil and coal - and abundant



water makes this possible.

The prospect of early development of four million horse power of hydro-electric energy at the Peace River Canyon should be constantly kept in mind in determining a route for a rail line of such importance to the national economy as the Great Slave Lake Railway. In this connection the need of supplies of material for production of atomic power as a defence factor must be kept in mind. And we urge the fullest study of the possibilities of handling raw materials for the atomic age at Fort St. John or in the environment of that rail terminal.

Land Settlement: Construction of the suggested link on the north side of the Peace and the building northward from Grimshaw, Alberta, would aid the present agricultural community now compelled to haul produce long distances by highway, and would make available for settlement areas of good agricultural land on both sides of the inter-provincial boundary. We enclose as Exhibit B, a pre-emption map issued by the government of British Columbia showing lands alienated and those yet available in the B.C. Peace River Block. It must be borne in mind that in addition to these lands shown upon the map there are extensive valleys north and west of the "Railway Block" suitable for settlement.

We respectfully point out that we in our



community have been given the opportunity of comparing the contribution to the country of highly technical industry on the one hand and of agriculture on the other. We believe that the future of the nation is still founded largely upon the production of food.

If human welfare is given consideration above the expediency of the dollar rating of industry, we suggest that the Great Slave Railway follow that survey which takes full stock of the service it can perform to the new settler and the established people upon the land.

We believe that apart from the opportunity of settlement within British Columbia in the valley of the Peace River, that many times that opportunity exists between the 120th meridian and the pastoral areas of Fort Vermilion, Alberta, (See Exhibit B).

The Pacific Seaboard: It is not our wish to go into detail in regard to benefits to be derived from giving the North Peace a short, direct route to the Pacific Ocean. Already the Pacific Great Eastern Railway has changed the living standards of the northern people served. Cheaper fruits are available, arriving fresh and crisp from southern shippers.

On the other hand shipments of cattle and hogs are given a premium at Vancouver over those



from other points. The rail connection changes the mercantile structure, making coastal cities the wholesale centers and creating community of interest on a line almost north and south from Vancouver and Seattle.

National View Point: Canada is entering the age of northern development. To fully protect our northern heritage the most energetic effort should be made to extend transportation facilities to the Arctic shores. We strongly urge that the British Columbia government owned P.G.E. Railway be regarded by this honorable Commission as the first unit of rail system, the main line of which should be carried at once to Pine Point on the Great Slave Lake.

Thus may Canada be developed at depth and in the future as industry moves north, branch lines into the rich Yukon and into the State of Alaska are visualized, with a balancing system of branch lines towards the Eastern Arctic.

Nor should we at this time fail to mark that there is today a very good prospect of development of an ocean commerce on our northern frontiers. It is for us to determine whether or not Canada shall establish its competency to share in that commerce and in the government of the islands of the Arctic seas.

Submitted at Peace River, Alberta, September ninth, Nineteen hundred and fifty-nine."



Now then, I would like to say few words, if I might. I am one of the very few who have had the opportunity of seeing quite closely this country around Hay River and Pine Point. I had the privilege of being escorted by air in 1949 over the very area where the AMSCO was starting. I have seen Fort Providence, Hay River, and Yellowknife and having had a little experience in the mining country I cannot help but observe that there is a great deal of valuable mining potential around Great Slave Lake. Of course, I would think Hay River would make a good harbour. It seems a little closer to Providence. There you have the great Mackenzie waterways out of which there must be a vast mineral that ~~has~~ never been tapped.

As I said in the beginning we haven't very much right to tell you what to do until we get to Grimshaw because that is where it will effect us. We do see the potential of this and a harbour in the north country. It would never be as much value if built on the other route. It would serve Pine Point and the vast mineral resources that are there. It would serve whatever mineral area might develop in the meantime and come through a vast valley of land, which has also been my pleasure to see at one time or another.

The land is getting very scarce. It is very hard to get land. Land is the greatest asset



any country has. Probably one of the greatest pieces of land that is still left is between Grimshaw and the sixtieth parallel on the Mackenzie Highway. You can go down the beautiful Mackenzie Highway and see farms struggling under very great odds. They have proved that there is a great agricultural area in between the High Level or beyond Keg River and Grimshaw.

We have the hope that we can get this link through. We have the Alaska Highway and a vast country to the west out there. By the time you come to Fort St. John you can go to Prince Rupert. It is almost a "V".

I think your Lordship and his Royal Commission, regardless of how much or how badly industry wants to have tonnage, and tonnage that is not so much trouble as agricultural tonnage, I would think you would consider this vast supplier on this side. I believe in my heart that God gave us all these blessings and minerals and He put them in one place and He gave the agricultural land in another place. I think when you come to weigh it you must consider very carefully whether you are going to serve industry and a few people. It never could be very much in the area between Waterways and Pine Point. You only need to fly over it and see. When you consider that and then consider that there are probably 50 thousand, maybe 70 thousand satisfied and contented farmers no



matter what the struggle might be and no matter how hard it might be, it is just 75 to 1.

By the way, if this Commission would have the time there is a right good road between here and Fort St. John on the north side of the river. It would take you probably four hours and you could drive up and probably see where that link is and how short from one end to another.

THE CHAIRMAN: How far is it?

MRS. MURRAY: About 175 miles from here to Fort St. John on the north side of the Peace River.

THE CHAIRMAN: Thank you very much.

Are there any further comments that anyone would like to make while we are in Peace River?

We will adjourn our hearings here and we are going back to Edmonton. Our sittings will continue in Edmonton tomorrow morning and continue until we are through. Anyone who wishes to add anything to what has been said we will be glad to hear from them. We want to express our appreciation for the great deal of assistance given us and the fine briefs presented to us here.

--- The hearing was then adjourned at 1.30 p.m. to be resumed at the Court House in Edmonton at 10.00 a.m. on September 10th, 1959.
